

**EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL**

RESTORATION OFFICE
Simpson Building
645 G Street
Anchorage, Alaska

February 16, 1993
8:30 a.m.

TRUSTEE COUNCIL MEMBERS in attendance:

State of Alaska	MR. CHARLES COLE Attorney General
	MR. CRAIG TILLERY (Interim Alternate)
State of Alaska Department of Environmental Conservation	MR. JOHN SANDOR Commissioner
United States Department of the Interior Assistant	MS. PAMELA BERGMANN Regional Environmental
State Department of Fish and Game	MR. CARL ROSIER Commissioner
United States Department of Agriculture - Forest Service	MR. MIKE BARTON Regional Forester
	MR. JAMES WOLFE (Interim Alternate)
United States Department of Commerce - NOAA	MR. STEVE PENNOYER Director, Alaska Region

RESTORATION TEAM in attendance:

DAVE GIBBONS	Interim Administrative Director, Trustee Council
MARK BRODERSEN	Restoration Chief, Alaska Department of Environmental Conservation
JEROME MONTAGUE	Director, Oil Spill Impact Assessment & Restoration Division, Alaska Department of Fish and Game

BYRON MORRIS Chief, Office of Oil Spill Damage Assessment
and Restoration, United States Department of
Commerce - NOAA

KEN RICE Deputy Natural Resource Manager, United
States Department of Agriculture -
Forest Service

MARTY RUTHERFORD Assistant Commissioner of EVOS,
Alaska Department of Natural Resources

PUBLIC ADVISORY GROUP MEMBERS in attendance:

DOUGLAS MUTTER Department of the Interior
Designated Federal Officer

BRAD PHILLIPS Chairman
PAMELA BRODIE
KIM BENTON (substituting for JOHN STURGEON)
CHARLES TOTEMOFF
RICHARD KNECHT

OTHERS in attendance:

JOHN STRAND
ARTHUR WEINER, Ph.D.
CHUCK GILBERT
KIM SUNDBERG
CAROL GORBICS
ROBERT LOEFFLER
GARY THOMAS
MARIA LISOWSKI

PUBLIC-AT-LARGE PROVIDING TESTIMONY:

In Anchorage:
CLIFFORD GROH
RALPH EALUSKA
GREG PETRICH
KEN CASTNER
KEN ADAMS
PERRY BEECHER
CATHERINE ANDERSON
BOB ANDERSON
CARL PROPES
PATRICH SHERMAN

Via Teleconference:
CHIP THOMA
MARK STEELE
DIANE McBRIDE
MICHAEL McBRIDE
LAWRENCE EVANS
STOSH ANDERSON
DAVID JANKA
MARLA ATKINS
KRISTIN STAHL-JOHNSON
MIKE MILLIGAN
TRACY AKERS
THOR SKULSTAD
JAMES MIKELIN
CARL BECKER
JEFF GUARD

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P R O C E E D I N G S

(On record: 8:35 a.m.)

MR. PENNOYER: Could we get started here, please, this morning? And I think it's the federal turn to chair the assemblage and I think by default or something, I got elected to do that process. I believe Mr. Barton is leaving -- has to leave this afternoon to go back to Washington, D. C. Ms. Bergmann is new to the chair, so I think I ended up with the nod, if that's all right with everybody else. So, we might as well go ahead and get started then.

This is a meeting of the Trustee Council -- Exxon Valdez Oil Spill Trustee Council. We have here Michael Barton, United States Department of Agriculture, Forest Service; Craig Tillery is sitting in for Charles Cole, Attorney General for the State of Alaska; I'm Steven Pennoyer from National Marine Fisheries Service, NOAA; John Sandor, Commissioner of the Alaska Department of Environmental Conservation; Carl Rosier, Commissioner of the Alaska Department of Fish and Game; and sitting in for Paul Gates from the Department of Interior is Pam Bergmann who obviously is well vested in our procedure so she'll have no trouble doing that job. Welcome.

Before we start, I'd like to briefly comment on the Oil Spill Symposium that was held here. I, unfortunately, was unable to attend the whole thing but it looked like an excellent turnout. It was our chance finally to present the results of the damage assessment operation, something I know our scientists have

been frustrated by for a number of years, the legal requirements to hold the data confidential. So, I think it was a good turnout. All reports I've had is the symposium was quite a success. I look forward very much to the proceedings as a concrete example of the work accomplished over the last three or four years. Special thanks go to the organizational committee: Bruce Wright from NOAA and Bryon Morris from NOAA, Kelly Heffler (ph) from ADF&G, Brenda Baxter from Sea Grant, Karen Oakley from the Fish and Wildlife Service and our own L. J. Evans. And Dave Gibbons, of course, did an excellent job as M.C. So, our thanks to all of you and to all the participants who presented papers and made, I think, the symposium a success. At some point, I think we're going to have to decide whether the proceedings are the final record or whether we indeed need to do some other type of coordination and update, including work that has been -- or is being finalized since the symposium.

Turning now to the agenda, I think it was sent out to all of you. I'd ask if there are additions or changes that anybody would like to see in the agenda. Dr. Gibbons.

DR. GIBBONS: Mr. Chair, yes. I'd like to add an item here, the Public Advisory Group activities of their meeting from February 10th. And if we could put that on first, that might set a little information about the rest of the agenda items.

MR. PENNOYER: Okay. Anybody have any problem with that? Okay. Any other additions to the agenda? Well, I guess we might as well go ahead and start down through it then, if

nobody has any other announcements to make. Dr. Gibbons, why don't you give your report on the PAG activity then.

DR. GIBBONS: Yeah, let me introduce Brad Phillips who's the chair of the Public Advisory Group and he's going to make the presentation.

MR. PENNOYER: Mr. Phillips.

MR. PHILLIPS: Thank you, Mr. Chairman. I know how long these meetings can get, so I'm going to try to make mine as quickly as possible. We didn't think too much about it until the last meeting about the problem we've run into in terms of our operating procedures and that is, the matter of whether or not alternates can vote. We turned up short of a quorum the last meeting and so therefore, we couldn't vote on anything. We did, however, continue with the meeting and did go through all the items and discussed it. And I'm going to informally give you the results of the thinking of the group. However, we would like to have you seriously consider changing the operating procedures so that appointed alternates could vote in the place of the committee person if he's unable to attend. Right now, that just kind of ties our hands pretty tough if we can't. And if you would consider that, I can tell you within a couple of weeks, we will have alternates appointed by the member for your approval.

Remember that the group is made up of 15 different interest groups so -- well, at least 10 plus the public people and we would ask that the member who represents a particular interest group find a suitable replacement that is knowledgeable

and could carry on during a meeting and vote on the items that come up. I think you have in your packets or in papers somewhere here the proposed wording that Doug Mutter has written for you, but as a concept that we could have alternates, as I believe this committee, the trustees also have their alternates able to vote, I see there is a possible inconsistency where the public group cannot or under the current rules.

MR. PENNOYER: I'm not sure. Dr. Gibbons, do we have the report in front of us?

DR. GIBBONS: I haven't seen it. Doug, did you fax that to them or do we have copies available here?

MR. MUTTER: I understood that there was a copy of the meeting summary in the packet.

DR. GIBBONS: No. The packet went out, you know, before the Public Advisory Group meeting.

MR. PHILLIPS: I think it's on page five of this...

MR. PENNOYER: This is the package which was just handed out in a manila envelope this morning?

MR. PHILLIPS: It's on page five, sir.

MR. PENNOYER: Some of the pages aren't numbered. The one numbered page five is farther back in the packet than the actual page five.

MR. PHILLIPS: The last line is the significant change where it says "can" instead of "can't."

MR. PENNOYER: It's more like page six or seven. Why don't you go ahead and complete your report and then we'll open

it to questions.

MR. PHILLIPS: Okay, fine. The group talked about many things in trying to be helpful. I think I must ask on behalf of the group that the trustees somehow communicate with us some direction. Apparently, we have done some things and that wasn't apparent until I read the minutes of your last meeting about listening to the public. That's one example of something that apparently is not what you had in mind. And I think that the PAG group would really appreciate some specific direction from the trustees on what you expect from us; what you hope to gain by our organization even being there because I know a good share of the people there are not interested in being part of the scenery or a spear carrier in the opera. They really want to help if they can and they have some very diverse ideas and would do anything they can to assist this group, but we would really like to have you think in terms of either talking to the group or sending the directions on whatever you want us to do where we will be helpful. And right now, we feel like we don't have that and we're kind of trying to cut it out of whole cloth and do something that will be of assistance to you.

The items that we talked about, of course, the habitat acquisition was a major item. As you face it, we talked about it also. And one of the ideas that came from two or three of the members very strongly was to ask you if you had considered at all the possibility of land trades rather than direct purchase. In the case of those owners who are interested in logging -- as an

example, Lew Williams suggested that maybe there may be some trading stock with the federal government on lands in the Tongass or some way to trade lands.

I know the precedent was set back in 1964 when we had the earthquake and there was land destroyed or felt unusable by the State and the State did trade state lands for private land. And they just felt that this might be a way of also cutting down on the amount of cash that would be used but it's another method, perhaps, of habitat acquisition. There were some concerns expressed that for many years now, we've been trying to get as much land out of the hands of the government and into the hands of the private and we are headed the other direction right now, putting it all back in the hands of the government.

And in regard to that, it would seem that it would be helpful if the Trustee Council would set forth some rules or some uses to that land rather than taking it from private use and then just making it wilderness or whatever it might happen so that it would be absolutely useless as far as recreation is concerned or other uses, that it might be helpful if you could determine in the acquisition of land from private landholders that you specify some of the uses that it could be used for after the government, in fact -- whichever government it is that takes it. And this would make some of the people who are uneasy about getting it back into federal or state hands a little easier because Prince William Sound, of course, has, in many views, a great potential for recreation and other uses that we don't want frustrated by

getting rid of the privately-owned land.

Someone also asked that more site-specific information about linkage to the injured species be identified in the acquisition of some of these pieces. How does this one really link with the damage and the particular species that it is sought to protect.

There were some discussions also from different points of view and different interest groups about the weighting of the categories on which -- you use a formula, of course, to make the acquisition important, whether it's on the top of the list or the bottom of the list or forgotten. And some of the people who represent fishing feel that the weighting for birds is much heavier and more important, say, than the weighting for fish. And they would like to have some review of that weighting formula so -- to see that it's fair, that both the fish categories, commercial and others, are weighted properly and also that services and, of course, that hits my area of tourism and recreation, that those are given enough weight versus just everything we talked about, it seems like, are the five species of birds. I don't know how the formula was derived or anything but it would be our suggestion that you take a look at it and make sure that it is fair to all categories.

One of the things that came to our attention is that as far as we can tell, so far, there has been very little feed-in from the landowners and the timber owners on this acquisition thing. And the PAG has suggested that those people be involved

like yesterday, if possible, so that the feed-in by the people who are actually there might be valuable in making some decisions. They suggested also that somebody start talking to the private owners, pretty quickly about whether -- to find out whether they are willing sellers and what some of the problems are. Apparently, some of the private owners say they have never been contacted and so that suggestion was made pretty strongly.

(Pause)

Well, once again, it was brought up also that we hope that the trustees seriously consider contracting for any of the projects that are upcoming with private persons versus putting it all in the federal and state agencies for them to do. And that comes up at every one of our meetings by testimony and by members of the PAG that the Alaskans that are not in the government be involved in some of these projects.

Another item brought up was the matter of concern of whether there is an overlap -- possible unnecessary duplication in some of the project plans. There has always been a concern when we look at the budgets for these plans that any given agency, given a set number of projects to be the lead agency, there's always a very large number there for personnel. And the layering of this seems to need some real look-see to make sure we're not duplicating and that we are double or triple or quadrupling dipping into the personnel department for things that possibly we don't have to have the budget and the personnel as heavy because it may be that -- in each project we ask

specifically whether or not that project was something that the agency should be doing anyway and we also asked if they would be getting new personnel or maintaining their regular personnel to do the project -- and in many cases, regular personnel would be doing it and therefore, the question automatically arises if you're putting all this personnel money in there maybe there's too much in there if it's the regular personnel doing it anyway.

We also would like to have some direction from you -- I think it's too late for the 1993 work plan but for the 1994, in what your desire is in having us do some manner of prioritizing the projects. So far, we haven't done that because we weren't asked to do it. We've been looking at all the projects that were proposed for the '93 program and went through each one of them in detail and either approved or disapproved and you, of course, have the record of how the votes were and who approved and who didn't. We were able to get a consensus on most of them, but not at all in this procedure did we set -- try to set forth a rating system or a priority system for them. Whether that is important to you -- we've gotten word that it possibly is. And if it is, we would like to have some specific direction on whether we should pay attention to that as we get involved with the '94 program.

There was discussion also very strongly on some of the members' parts that endowments should be incorporated into the restoration plan and included in the plan summary. So far, we don't see any evidence of that. And you may have already

considered it and thrown it out or discounted it or whatever, but there are some that feel in the long run, there should be some endowments as part of the restoration plan so that this will live on much longer than if we spend it all now.

Doug, I'm going to ask your help on one here that -- could you come up? (Pause)

(Begin whispered conference)

MR. PHILLIPS: This one right here on number 12.

MR. MUTTER: That was Jim Cloud's. He suggested that maybe one of the alternatives in the restoration plan not emphasize acquisitions. That was his point. There wasn't agreement on that, though.

MR. PHILLIPS: Okay, this was what?

MR. MUTTER: There are five alternatives on the restoration plan.

MR. PHILLIPS: And the heavy one was on....

MR. MUTTER: Some of them had almost 45 percent of the budget (indiscernible - whispering) acquisition. His point was that maybe one of them ought to have (indiscernible - whispering) money on that.

MR. PHILLIPS: For other projects besides habitat.

MR. MUTTER: There wasn't agreement on that.

(End of whispered conference)

MR. PHILLIPS: One of the members suggested that with the heavy emphasis on acquisition of land, that there should be emphasis on other things besides -- about habitat acquisition.

Felt very strong about it and I have to pass it on to you.

I've already mentioned the -- I think I've hit all of them. Do you see any that I've missed, Doug? I want to emphasize that our meeting that day -- this is advisory. We did not have the opportunity to vote on anything because of the lack of a quorum. If there are any questions at this point, I'll try to answer them for you.

MR. PENNOYER: Thank you, Mr. Phillips. Are there questions of Mr. Phillips about the Public Advisory Group meeting? Mr. Barton.

MR. BARTON: Yes, Mr. Phillips. Could you be a little more specific? You mentioned that the Public Advisory Group was needing direction from the Trustee Council. Could you specify a little more just what kind of direction?

MR. PHILLIPS: I can give you a couple of examples. At the symposium, Mr. Cole's first presentation indicated -- he sort of apologized that the group had not set direction to us or told us what is expected of us. Then, I -- an example of that is the action you took on deleting funds from the budget for the hearing of public testimony and there was no explanation of that in these minutes, but that obviously is a thing that bothered you because we informally in the beginning of our concern about the '93 -- and this was very -- right after we got the program put on our desk. We had three different groups in three different areas. It didn't cost anything because we told them there was no budget outlay for it, but three different groups. Kodiak, Kenai

Peninsula and the Prince William Sound invited the public to come and talk about this '93 plan.

And then we see in your minutes that you wanted to eliminate any funds for public, I think, for the reason that the group was selected as being pretty diverse and that maybe they could make up their own minds. We need direction on that. If it's not your desire for us to hear the public, then there's an awful lot of time we're not going to waste, but it was our feeling in the beginning because of the name of the group that the public input was very important to you and maybe the fact that -- maybe some of it is duplicating. I don't know. I haven't read it all. I've read everything you've given us but it seems that the public input is what you really need ultimately for some of the policy decisions you're going to make. And we just don't -- we've never had a conversation with your group at all. We've never had a letter or an instruction or say, "This is what you should do which will help us." And maybe you ought to send a messenger over or something to tell us, outline to us what you expect from us and then we can be more efficient because most of us are pretty busy also and I don't like to spin wheels and waste a lot of time. I'm sure most of them don't.

MR. BARTON: Thank you.

MR. PENNOYER: Are there other questions of the Public Advisory Group?

MR. ROSIER: Steve? Mr. Chairman?

MR. PENNOYER: Commissioner Rosier.

MR. ROSIER: Question on that, I guess. Has the PAG group looked at, you know, what kind of time commitment they're willing to make? I mean there's kind of some things I think that we do need to have some discussions on. I, for one, would like to see a strong Public Advisory Group. That's only my opinion, of course, but nevertheless, it seems to me, you know, we need to have at least some dialogue between us here as to what kind of commitment are we willing to make on this type of thing?

MR. PHILLIPS: From the time I've spent with this group, I think that they are all pretty dedicated and I don't think there is a limit on the time. Most of us have to make a living, of course, and that limits you somewhat but at the present time, as an example, we don't know when to call our next meeting because we don't know what we're supposed to do and what you expect from us.

I, for example, serve on seven boards of directors and I have to plan those things in advance in order to survive and not have to have Delta Airlines survive on top of me. And so I would say if we can talk and -- you tell us what you need and you'll get it. I'm quite sure of that. The time, I think, is no constraint. We'll put the time in that's necessary.

MR. PENNOYER: Further questions? John. Commissioner Sandor.

MR. SANDOR: Well, I really appreciate the report and the candor and it was my understanding that the charter and operating procedures for the Public Advisory Group would provide

or should provide the direction and it's clear that it's not definitive enough, not specific enough. So, Mr. Chairman, it seems to me that whatever the charge is or the charter, it ought to be in writing. And we did approve the charter and operating procedures of the trustees itself and it seems to me that the very least that we can do for the Public Advisory Group is to expand that charter or to have a supplement to it which spells out really what direction it needs to be given because I believe the direction should be in writing. So, I don't know -- are we restrained -- I know we're restrained to some degree with regard to taking some actions that are far reaching for the new administration -- that may be far reaching for the new administration but can we not, at least, agree that the charter ought to be expanded on or be supplemented with a specific charge, so to speak, to the Public Advisory Group?

MR. BARTON: Mr. Chairman.

MR. PENNOYER: Mr. Barton.

MR. BARTON: I believe we have that on the agenda for this afternoon, the fifth item on the agenda, "Operating Procedures for the Public Advisory Group." That would be an opportunity to address the concerns of Mr. Phillips. I, too, think that the charter and the operating procedures need to spell out just what is expected of the Public Advisory Group. As I recall, the charter had been approved obviously by the Secretary of Interior so we put the operating procedures on hold two meetings back.

MR. PHILLIPS: It isn't that -- the operating procedures per se are not a concern of ours. We can read them. We know what they are. What we're saying really is what do you want us to accomplish and how can we help you? And that's not spelled out in procedures. We know that we have a meeting and we know what the -- all the mechanical things are. Just tell us where you want us to go to help you and we'll do our very best to do it.

MR. PENNOYER: Commissioner Sandor.

MR. SANDOR: But you see -- Mr. Chairman and Brad, I think we do need to say one, at least, it's my feeling that one, we really want you to do prioritization. As proposals have come in from various boroughs and what-not, we've asked specifically that priorities be given. We want, you know, the observations like -- well, different techniques or processes like land trades, contracting. These are very meaningful kinds of suggestions that we really ought to deal with. Maybe in a formal process of suggestions or proposals, you know, need to be formally acted on. Seems to me, in fact, you've outlined about eight or ten items that it would be desirable for you to get immediate feedback on or, at least, within the next...

MR. PHILLIPS: Amen. That would be fine.

MR. SANDOR: ...30 days. So, that you can decide how you're going to deal with this.

MR. PHILLIPS: If we have something of that type of substance from you, then I can call a meeting and then we can

deal with anything you want. Right now, we're kind of hanging in the air, saying what do we do next until we get the '94 plan. So, if you can deal with those, we'd be very grateful.

MR. SANDOR: You're doing just fine like on endowments. That's been on the quote, agenda, off and on again for a long time and Senator Sturgulewski had a formal proposal. Other proposals have been made and -- so, that's exactly the kind of thing we need.

MR. PENNOYER: Okay. It seems from the conversation here that all of us are in definite agreement that we need strong public input. We have, on the Public Advisory Group, experts and knowledgeable people in various particular areas to help look over the program and give us their advice and recommendation.

And it sort of seems to me the place where we're having a problem is one, specifically asking you questions. I know that you were given the '93 work plan. That was a specific question for reviews. There have been some but maybe they're not definitive enough and you probably don't seem to be getting the feedback on how we took your recommendations into account. We probably ought to make that a specific agenda item on our meetings as we consider these action proposals. We did use, to a large degree, the minutes from your previous meeting in discussing the '93 work plan and the statements of various members were widely quoted during that discussion so, in fact, that type of input was taken into account. Part of the problem seems to be how you should be interacting with the public-at-

large...

MR. PHILLIPS: Yeah. A big question.

MR. PENNOYER: ...as to receiving advice and I think that needs further elaboration. At the last meeting, you heard some discussion that we had, in essence, a very large public process which the PAG was part of it but wasn't the entire part.

We're still expected to hold hearings, do scoping and so forth outside of the PAG. How that interaction should occur may need further elaborations that may not be in operating procedure. So, we should discuss whether we're going to write a letter or get together a statement of intent and then how we wish to meet with you directly at one of your meetings and discuss these items. I think that would be helpful. Do we want to defer further discussion until the operating procedures discussion this afternoon?

(Affirmative nods from members of Trustee Council.)

MR. PENNOYER: Okay. Thank you very much for your report.

MR. PHILLIPS: Thank you for your attention.

MR. PENNOYER: Can we proceed then? The next item on the agenda was "Restoration Organization Discussion." I presume that included the administrative director discussion. And Dr. Gibbons, do you want to elaborate what's on this item on the agenda?

DR. GIBBONS: My understanding that it is perhaps the process of selection for administrative director and perhaps, a

general discussion on organization. I know the specifics of the names and those types of things have to be done in executive session but it was my understanding, perhaps, a process for selection of the administrative director, that type of a discussion.

MR. PENNOYER: Could we, perhaps, start with that item then? Selection of the administrative director and I know we've had a couple of memoranda on that. I'm not sure everybody has them but one of the items was how we can -- we have a list of applicants and discussion as to how we proceed to bring that to a head. And I can't find the letter in front of me right now, but I know we did have a letter from the Interior, I believe, and then a letter from Mr. Barton.

MR. BARTON: Yes, Mr. Chairman.

MR. PENNOYER: Mr. Barton, do you want to...

MR. BARTON: Commissioner Rosier and I met and tried to lay out a proposal for a process to follow in the selection of the director, remembering that we advertised this position simultaneously in the state system and the federal system. And I transmitted a proposal February 8th to each of you. I don't know if you want me to go through it at this time or...

MR. PENNOYER: Well, if I ask if everybody has seen the proposal and are aware of what the -- do we have it in front of us? It's not in the packet per se but it was mailed out. It's a February 8th letter from Michael Barton to all of us and has a proposed evaluation and selection process for

administrative director attached to it. Maybe you'd better go through it briefly.

MR. BARTON: Well, basically, the (indiscernible - unclear) of the requirements are that the list of applicants needs to be screened by a senior personnel specialist to determine which applicants actually meet the stated evaluation criteria or the qualifications -- meet the qualifications. At that point, then there needs to be a panel or group, which I will call the evaluation panel, who will again screen the applicants and put together a certificate of candidates. And this needs to be done for the federal ad as well as the state ad.

Following this evaluation panel, then the results of that process are forwarded to the Trustee Council who will then actually consider all that has gone before and make a selection.

The proposal that was laid on the table would have used a modified restoration team to be the evaluation panel and those activities of that panel would have to be supervised by a senior personnel specialist as well.

The modification of (ph) the Restoration Team is this: essentially, there are two applicants that are now on the Restoration Team and those would not participate in the process; otherwise, the rest of the Restoration Team would. In response to my February 8th letter, one of the trustees suggested that the Restoration Team's knees are already buckling and that the evaluation of some 80 odd applicants is probably more than we should ask of them and that some alternative evaluation panel be

put together. But that's essentially where we are.

MR. PENNOYER: Did you receive any responses to your letter?

MR. BARTON: Just the one that suggested an alternative to the Restoration -- modified Restoration Team for the evaluation panel.

MR. PENNOYER: That was from Interior?

MR. BARTON: Yes.

MR. PENNOYER: Ms. Bergmann, do you want to speak to that at all?

MS. BERGMANN: Mr. Chair, the suggestion was that we set up an independent panel that could consist of three federal representatives and one state representative that would be co-chaired by the Forest Service and the Alaska Department of Fish and Game. And again, as Mr. Barton indicated, we believe that it's important to do this because the Restoration Team is already over committed on a lot of other projects that they're working on. And we believe this does need to take place in a timely manner and we're concerned that the Restoration Team would have to choose between a number of important tasks. And we also were concerned about -- had an appearance concerns as two other members -- actually, one Restoration Team member -- well, two of the Restoration Team members are applicants for the position.

MR. PENNOYER: Question on either proposal. Was the idea in mind that -- how much screening takes place, I guess, is what I was asking. Is this simply a matrix categorization with

the applicants and their resumes and so forth available to Trustee Council or how much screening did these two proposals envision was going to take place versus what the Trustee Council would have a chance to look at to make its own mind up on that?

MR. BARTON: Mr. Chairman. The purpose of the evaluation panel is to determine quality candidates using the elements that are contained in the vacancy announcement, itself.

The certificate of these applicants would be prepared for consideration of the Trustee Council. As I understand it, that does not prevent the Trustee Council from considering any applicants that were deemed to meet the qualification criteria.

MR. PENNOYER: Would this evaluation panel interview or simply do an evaluation from the written record in front of them and leave the interviewing up to the Trustee Council?

MR. BARTON: The normal course of events in the Forest Service personnel process is that the evaluation panel would not do any interviewing but that the Trustee Council may.

MR. PENNOYER: I guess what I was trying to find out was the type of people you'd want on your evaluation panel. And you're saying it's not strictly sort of an evaluation of the quality relative to the in-depth knowledge of the job to be done, but more of whether the application meets the criteria as specified in the announcement?

MR. BARTON: It's based on the written record that the applicant submits and it evaluates the written application in terms of the qualification or -- in terms of the qualification

criteria that was specified in the application. I'm getting on the edge of my knowledge here.

MR. PENNOYER: A little bit more than, Mr. Barton, of a personnel type function than a function of that, I think, Trustee Council will ultimately do of deciding if the person has the skills to meet the particular job requirements that we see more qualitative type of -- this is more of a -- specifically, do you meet the criteria set out in your application.

MR. BARTON: That's right and it would, in the normal course of events, determine the best candidates in terms of the written materials.

MR. PENNOYER: One follow-up then. Would DOI, Ms. Bergmann, this panel of three state and three federal experts as you have in mind some particular type of people for that? Those three? Personnel specialists or restoration specialists or -- Mr. Barton.

MR. BARTON: I don't believe a personnel specialist can be a member of this panel -- may supervise the panel but I don't believe they can be a member of the panel.

MS. BERGMANN: Mr. Chair, as Mr. Barton indicated, there would have to be a personnel specialist who would be involved in this process to make sure that people were following the correct personnel procedures but as outlined by Mr. Barton, it would seem that senior agency folks within the federal and state system who could be found who would be able to look at these kinds of applications and look at the criteria and

determine whether or not the potential applicants did meet the requirements that were set forth.

MR. PENNOYER: So, one last. Then in your proposal, the state and federal government would nominate three people on each side and...

MS. BERGMANN: (Inaudible positive response.)

MR. PENNOYER: Okay. Further questions or discussions on these two proposals? Commissioner Sandor.

MR. SANDOR: Well, I think the process or options laid out are fine to deal with. I just have a feeling that we ought to step back and defer action on this until the new administration has an opportunity to appoint the new trustee and, at least, look at this. And I would hope that we take the opportunity to sort of look at this with that fresh perspective of -- and perhaps, look at the operating process, recommendations as we just had from Brad Phillips and indeed, even look at if the description, itself, has administrative director as opposed to executive director is exactly what we want to do.

I guess I feel a little bit uncomfortable about acting -- setting the process in motion by which we wouldn't provide the new administration with an opportunity to look at this and this seems like a good break. I guess what I'm arguing for, Mr. Chairman, is tabling this until the appointment is made from the administration so that they have an opportunity to scrutinize this. That's just my feeling.

MR. PENNOYER: Commissioner Rosier.

MR. ROSIER: Thank you, Mr. Chairman. I think Commissioner Sandor is right on the target there, myself. I -- you know, do we have any feel at the present time on when we may, in fact, be looking at filling the Interior seat here? It seems to me that, you know, there's a number of things that we've been anxious to accomplish here in terms of how we conduct our business. And a lot of that, I think, is contingent upon how quickly we get that administrative director in place. And I guess, you know, while I certainly agree with what Commissioner Sandor is saying, I think that it's incumbent that we get down the pike with getting an executive director or administrative director in place as soon as possible.

MR. PENNOYER: Ms. Bergmann, do you want to take a crack at that?

MS. BERGMANN: Mr. Chair, the Department of Interior certainly concurs that it's important to look at the whole restoration organization. And I concur with what Mr. Sandor said, that I think it makes sense to postpone this action until we've had an opportunity to look at the entire picture. All I can tell you is that Interior did everything that they could do in order to make sure that this meeting could be held today and that action could be taken and that we could move forward and that Interior will continue to do that and try to get someone in place as the new Trustee Council representative as soon as possible.

MR. PENNOYER: We seem to be in a bit of a Catch 22.

The next item on the agenda is organization and it is difficult to discuss an executive director or administrative director and how that's -- we're going to judge the qualifications for that position without some of those other decisions made. But that doesn't necessarily speak to the process that's been proposed. And the process, we could have talked about without exactly having all the organizational discussions on them. We'd have to postpone action by whatever that process was until, I think, we've discussed the organization and understood where we were going.

The next item on the agenda is "Restoration Organization Discussion." I don't have a formal proposal in front of me for that. Does the group wish to defer this action on the executive director then until -- I believe we haven't talked about it yet, but I believe there's a March 10th meeting set up which is just two or three weeks away -- and defer further consideration? I think we all agree we need to get on with the process of selecting it. We have 80 applicants that are anxious to, I think, know what we're going to do with this. So, we obviously are in no position to wait too long on getting started though we do need to have the organizational discussions to go with it and I'm not clear (indiscernible - unclear) we wish to do that. Ms. Bergmann.

MS. BERGMANN: Mr. Chair, I believe Mr. Barton was saying that one of the first steps that needed to be done was to have the personnel folks within the federal side and the state

side take a look at the applications to make sure that everyone was qualified. And perhaps, that's something that could be done between now and the next meeting, so at least we would have some progress taking place. That's a suggestion.

MR. PENNOYER: I'm a little confused with that suggestion versus what I understood these two evaluation panel proposals to do. I thought they were basically to look at the qualifications, according to Mr. Barton's explanation, relative to what was in the job circular and what was in the applications. And you're suggesting we can go ahead with that without appointing either a review panel or -- Mr. Barton?

MR. BARTON: Mr. Chairman, I may not have made myself clear. Preceding the evaluation panel, the senior personnel specialist on both the state side and the federal side will need to screen the applicants to determine if they make the basic qualifications.

MR. PENNOYER: Okay. Commissioner Sandor.

MR. SANDOR: Mr. Chairman, I think the group could go through a quote screening process to determine if candidates meet the qualifications. But if our next meeting is March 10 or shortly thereafter, I think it would be very appropriate if Ms. Bergmann could simply communicate to the Washington office and say, for our March 10 or whenever agenda, this is on and at our meeting, February 16th and 17th, concern was expressed about, you know, deferring for at least a short time to give the opportunity to examine this. But I think unless we had a clear signal with

-- keep on the track and the way you're going, I feel a little bit uncomfortable.

MR. PENNOYER: The proposal then is to proceed with the screening by personnel people on the state and federal side of the preliminary screening of these applications to make sure that people qualify and go that far. How would we accomplish that? Would Forest Service be willing to do that on the federal side?

MR. BARTON: Yes. That's a rather straightforward...

MR. PENNOYER: And would Fish and Game do it on the state side?

MR. ROSIER: Yes, Mr. Chairman, we would.

MR. PENNOYER: Do I hear a motion to that effect?

UNIDENTIFIED VOICE: So moved.

MS. BERGMAN: Second.

MR. PENNOYER: It's been moved and seconded that we proceed with the screening with the Forest Service and the Fish and Game department taking the lead selectively (ph) on the federal and state sides and do the initial screening of these applications to make sure that candidates do qualify. Is there any objection? That will proceed then. And the second part of the motion was to defer the further discussion of the process until the March 10th meeting and...

MR. SANDOR: Or...

MR. PENNOYER: Or appropriately...

MR. SANDOR: Or shortly thereafter.

MR. PENNOYER: As soon as possible. Preferably by the

March 10th meeting if it can be accomplished by then. Do I have a motion to that effect?

MR. SANDOR: So moved.

UNIDENTIFIED VOICE: Second.

MR. PENNOYER: It's been moved and second. Any objection to that part of the motion? Okay, the next item on the agenda then was the "Restoration Organization Discussion." I think that while the motion specifically addressed that, I assume that would also have to wait until the -- hopefully at the March 10th meeting and or as soon as feasible after that. Is there a motion to that discussion?

MR. SANDOR: So moved.

MS. BERGMANN: Second.

MR. PENNOYER: Moved and seconded to defer the organizational discussion of the March 10th meeting or as soon as feasible thereafter.

As part of the discussion, how do you wish to proceed on that? Are we -- I am loathe to arrive at a meeting with nothing to look at ahead of time. And is there -- will we try to exchange thoughts or something prior to the March 10th meeting?

Remember it's only three weeks away. (Pause) We will attempt to exchange thoughts and if we can't, we'll exchange thoughts at the March 10th meeting is what I hear. Any further discussion?

Any objection to postponing that until the March 10th meeting? Okay.

Let's proceed down the list then. Next is the "Habitat Protection Imminent Threat Analysis." Marty Rutherford

and Dave Gibbons, do you want to lead us through your extensive and colorful notebook?

MS. RUTHERFORD: Mr. Chair, you all have received your copies of the "Opportunities for Habitat Protection/Acquisition" notebooks. We also just passed out earlier a document that's about seven pages long called "Discussion Paper." That has not been released to the public. We will be walking you through that as the third part of the presentation we're about to make. The presentation is going to be made by members of the habitat protection work group. We're going to start out with background and evaluation procedures by Art Weiner and then we'll move into land parcel summaries by Kim Sundberg and then we'll be going into policies and proposals which is the discussion paper you received by Chuck Gilbert.

I might note we wanted to make sure that this notebook was in color for you because a lot of the presentation is directed towards particular parcels and on black and white, they're just not simply as clear as they are in...

MR. PENNOYER: I was being complimentary. I wasn't really (indiscernible - laughter).

MS. RUTHERFORD: Thank you. We're always very cautious about these things. There was a great deal of discussion about color or black and white. So, I think at this point in time, I'll just simply turn it over to Art Weiner. And I guess I would suggest that Art Weiner, Kim Sundberg and Chuck Gilbert all come to the table so that they're available for questions that you may

have as we go through it. Thank you very much.

(Pause)

MR. PENNOYER: Gentlemen, proceed whenever you're ready in whatever order you want to take it in.

MR. WEINER: Good morning. My name is Art Weiner. I'm a habitat protection work group member from Alaska Department of Natural Resources. On my right is Chuck Gilbert, National Park Service; on my left is Kim Sundberg from the Alaska Department of Fish and Game. Although this gang of three is making this presentation to you all today, quite a few other people participated in the production of this document and in the numerous meetings and discussions that went on in the reviews that generated the work product that we're presenting to you today. I'd certainly like to acknowledge several of them at this point in time. Kathryn Burg, from the U.S. Fish and Wildlife Service; Mark Kuwada from ADF&G, Jess Grunblatt and the staff at ADNR who produced the maps and Carol Fries who produced the product in front of you. They've been very much helpful to us and were major participants in this entire process.

Jess Grunblatt also is sitting up right now for a demonstration at the break or at lunch for any of you who might be interested in looking at the technology that went into the production of the maps and the analysis of the remotely-sensed information, the satellite imagery that we used to produce some of this information. Rather than do a formal presentation to the group, we set it up to be viewed at your leisure on one of our

work stations back in the library. So, that will be available for you, I think I said, at a break or at lunch or after the meeting and I would assume that the public -- that would be made available to the public also. So, that's going to be an ongoing demonstration in the library.

The goals of the habitat protection/acquisition process are threefold. The long-term goal is to identify and to protect those lands and habitats that, with protection, would benefit the recovery of the resources and the services that were affected by the spill. That's the long-term goal. The short-term goal is to prevent damage or loss of habitat to these resources during the time period prior to the adoption of the restoration plan. This is the nature of the interim process that we're bringing in front of you today. We need to bring the interim process to you because as you know, we don't have a restoration plan ready at this point in time, but the potential changes in land use that may affect those habitats that are linked to the resources and services may be degraded during the period of time between now and the time that the restoration plan is adopted. Therefore, we have an interim protection process that we'd like to see move forward.

The immediate goal of this meeting is to present to you the results of our analyses of the imminent threat lands and those lands that we'd like to term opportunity lands. Those are lands that came to us unsolicited from landowners who want to participate in our process. Opportunity lands are not lands that

we believe are subject to an imminent threat, but rather than to foreclose these land owners who are willing to participate, we've included them in the review of the imminent threat package.

What we'd like to obtain from you today is authorizations. And the authorization is basically to allow a team of experts to begin discussions with landowners. We need to ascertain from the landowners and I'm not saying that we're talking just title owners. We may be talking to folks who own other property rights such as surface rights or other rights to property, not just the folks that hold title to the land. We'd like to determine whether or not these people are willing sellers. That's one of our very, very important threshold criteria in the process. And we've received quite a bit of public comment, as you heard today, that we've as yet to really have discussions with landowners. So, the first point that we'd like to make with you and to get your authorization is to begin discussions to ascertain whether or not we have willing sellers.

Secondly, we'd like to know whether these folks are willing to participate in this process. They may not be willing to participate in the process, even though they may be willing sellers. They may have some problems with the process that we're bringing in front of you today. So, again, we need to have discussions with these people to make them knowledgeable of the kind of process we're asking them to participate in and to see what kind of feedback we can get from these people.

Thirdly, we need to be able to go out on the land and

gather more information about these parcels that we're interested in. As you'll hear from the three of us today, we're dealing from a limited knowledge base. And in order to increase the data base, in order to make informed decisions about acquisition or protection of these habitats, we're probably going to have to go out on the land and conduct further investigations and we need to get the permission of the landowners in order to that.

So, basically then we're asking for your authorization for these three things: To begin discussions with the landowners to achieve the end of determining willing seller, willingness to participate in the process and permission to access their properties.

The identification of those lands that we termed as imminent threats go beyond somewhat the threshold criteria that you had adopted in an earlier meeting. I think it was in January sometime. I think it was on the 19th. We've determined through a threat analysis process that Kim will describe to you that imminent threat lands are those lands where the expected changes in land use will further affect resources injured by the spill.

And secondly, that these changes in land use may foreclose us from exercising some restoration opportunity that otherwise would be able to exercised if these changes in land use did not occur. Those are two important factors in our analysis and our determination of whether or not that parcel of land is subject to an imminent threat.

The opportunity lands as I mentioned to you earlier are

parcels that have been offered up to the Trustee Council for assessment by their owners but they are not currently threatened by any sort of change in land use. There's no development contemplated at this point in time on these parcels. These lands came to us -- came to the Trustee Council unsolicited by us. The owners offered up their lands for review and assessment. So, we had made no overtures to these folks to, you know, bring them to the table.

Thirdly, the opportunity lands will be evaluated although in part of this package but we're going to embed them ultimately in what we call our comprehensive process. The comprehensive process, which we will not be discussing at length today, is a very similar process but that process embodies all lands in private ownership in the affected area that we feel have some degree of linkage to the resources and services affected by the spill. But the comprehensive process is going to take a longer time and that's one of the reasons we did break out the interim threat lands so we wouldn't delay dealing with the interim threat lands. The comprehensive process is going to deal with a lot more land than what we're bringing to you today.

The restoration plan contemplates acquisition and habitat protection at several levels. Historically, acquisition and protection of habitat was envisioned by the developers and the designers of the circular regulations. If you go back into the law that supports restoration, you can find that habitat protection and acquisition was envisioned by the people who

wrote the circular regulations. In our process, habitat protection and acquisition is built into the settlement. It was -- very clear that we have the enabling legislation in the sense to go forward with habitat protection and acquisition. The settlement dictates that.

The restoration framework, very clearly, both in the concurrent and the hierarchal processes that were laid out in the restoration framework, envision habitat protection and acquisition as a major element in the restoration plan. And within the draft restoration plan, as currently being developed by the Restoration Planning work group, habitat protection and acquisition is a major theme in virtually all of the alternatives that have been presented to you at this point in time except the natural recovery alternative. And so, right throughout the process, from the circular regs right to the draft restoration process as we see it developing today, habitat protection and acquisition is a major element in restoration.

The interim protection process and the comprehensive process that someday we'll be bringing to you are attempts to evaluate and rank land in a way that embodies several major, fundamental elements. The first is that it involves owners on a voluntary basis. This theme runs through all the work that we do. There is no condemnation process contemplated whatsoever at any step of the way. We're dealing with voluntary owners.

Secondly, we have to establish, in order to be true to the settlement, that there's a clear linkage between the habitats

that exist on this land and the spill-affected resources and services.

Third, we feel that we've developed a process that's in full compliance with both the letter and the intent of the settlement. We were very careful to be sure that the settlement was foremost in our minds as we developed this process.

Fourth, we feel that we've developed a process that to the best of our knowledge is objectively-based, either on good data or best professional judgment.

And lastly, we believe that both the interim process and the evolving comprehensive process represents an equitable process for all landowners. We feel that we're going to be fair, that we've developed a process that is going to deal evenly with all landowners in the affected area.

So, these themes run through the process. And we constantly remind ourselves as we've developed this that we have to maintain these kinds of ideas throughout the process and I think we've done so.

We've identified resources and services that are linked to habitat protection. And if you look in the briefing document, the list of those resources or services are to be found in a table entitled "Criteria for Rating Benefit." It's in section two of the document. There are 15 different resources and services. And as you heard the chairman of the PAG mention to you earlier, there has been some discussion of expanding this list. And at this point in time, the subgroup is taking that

under consideration.

If you look at the list, you'll see that there's two factors that drive the listing of a resource as being linked to the spill. One is that changes in land use would adversely and directly affect the habitat. For instance, logging of forest lands that contain Harlequin Duck nesting habitat represents a loss of habitat. Therefore, that kind of a change in land use would have an adverse impact on the population of the species that was affected by the spill. Another way of looking at effects to habitats is disturbance. Several of the resources that we've looked at, we feel, could be adversely affected by disturbance rather than direct loss of habitat. The placement of, for instance, a logging transfer site in the intertidal may affect harbor seals, may affect other organisms that use the intertidal area for habitat or for haul-out. And so, the development of the list embodied those two concepts: direct loss of habitat and/or disturbance to the resource or its habitat.

The sources of information we used to derive this list and to do the assessment came basically from documents that had been produced in the past by the resource agencies, things like the Anadromous Fish Catalog, the Atlas of Eagle Nests, the map atlas that was developed as part of the response efforts, very good data that we derived for conducting response in determining where active eagle nests were. We used satellite imagery. We certainly used the scientific literature and lastly, but not least, the results from the Nature Conservancy workshop that we

held several months ago wherein we brought a suite of experts in these resources and services and asked them to tell us where they felt habitats of these resources and the services that are generated by these resources are occurring right now in the spill area. Basically, they drew polygons on maps and gave us information about what's within the polygons on the maps. And so, that was best professional judgment that was brought to us with the help of the Nature Conservancy from this rather large group of experts. So, those are the sources of information that we used.

Additional data may be necessary. There's no question about that. And I'm not here to plead the case for more studies. But I think that in the future in order to harden the data base, that we're ultimately going to need to make the very difficult decisions regarding habitat protection and acquisition, we're probably going to need some more work. The nature of the work is resource management in nature. It's not damage assessment. It's not recovery monitoring. The kinds of information that we're going to need to help make a better decision on habitat protection is the kind of work that's probably going to involve some field work, some researchers going in the field and verifying whether or not the particular habitat that we're interested in protecting, in fact, contains the resources that we're interested in protecting. And I'd like to be able to say this kind of work is going to be less expensive than the kind of work you all have funded in the past, but I'm not willing to make

that statement at this point in time. We are hopeful.

The determination of which lands we're bringing before you today in the imminent threat process was conducted according to a threat analysis method that was carried out by Kim Sundberg from ADF&G and rather than hear it from me, I'd like to turn the discussion over to Kim and have Kim discuss with you how he determined which lands to recommend for analysis in this process. Kim.

MR. SUNDBERG: Good morning. I made a presentation on September 16th to the Trustee Council where I presented a list of data base that is maintained in the Department of Fish and Game concerning permits and authorizations and requests for permits. And what this is is a listing of all applications for various different permits and authorizations from the state and federal agencies to conduct development activities. It includes things like water use permits, tidelands permits, Corps of Engineers permits, coastal consistency reviews, Fish and Game Title 16 permits, wastewater discharge permits. We use this data base to determine what levels or what types of activities were occurring in the spill area because in order to conduct development activities, these permits have to be gotten and it's an indication of the level of -- or interest in activities that are occurring out there rather than just sort of vague plans or somebody's pronouncement that they're going to do something. We wanted to get some hard information. And so, we used this data base to look back to 1989 up to the present as to what

applications have been applied for and permits have been issued.

And what we found was that there were about 420 or so permits and authorizations that occurred within the spill-affected area.

Next, we looked at what types of authorizations these were and what types of activities would likely be occurring. For example, some of these were things like placer mining applications in the upper Snow River or something like that, an area that's far removed from the spill area. It really doesn't have any direct effect on activities or resources and services that are within this spill-affected area. Other things were more directly affected. Things like log transfer facility applications, forest practices notifications, tidelands permits, things that were occurring within the spill-affected area that were likely to have some effect on resources and services occurring there.

So, essentially, we took that data and boiled it down and used it to geographically locate where these activities were occurring within the spill-affected area and developed some maps.

And the maps are what are on the walls and are in the books, showing areas where there's some imminent development or development that's occurring right now in the landscape. That's where we focused this evaluation of imminent threat activities and where we prioritized this particular presentation in terms of the parcels that we evaluated for potential habitat protection and acquisition.

MR. WEINER: In section one of the document, there's

one of our famous flow charts, hopefully, a lot less complex than the ones that you saw in the supplement to the framework document. And what we attempted to do here is to summarize what we feel are the most important elements of the interim protection process. There's these basic five steps that we've conducted or carried out. "To identify those essential habitats on private land that are linked to the recovery of the injured resources and/or services. To apply the threshold criteria to private lands with linked habitats." To determine the threat, as Kim just described to you. To evaluate and rank these parcels according to criteria that are also listed -- displayed in the document as interim evaluation and ranking criteria. And then ultimately, with authorization from the Trustee Council, go out and have discussions with the owners of, at least, the highest priority lands. And we will leave that up to you to decide at what level or what cut you would choose to make with regard to who we should go out and speak to with regard to these interim lands.

The interim evaluation and ranking criteria were developed by the group. They're the fourth step. Once, we've determined that there is a threat, we sat down, using the data sets that we described to you a little earlier, we then went ahead using these criteria, evaluated the lands and ranked them.

The first criteria is the most important and that embodies the formula that Mr. Phillips was talking about earlier. The formula is our attempt to quantify the degree of linkage that a parcel of

land has to the affected resources and services. We feel that this is the most important criterion and therefore, it's weighted more heavily than the rest. If you're having a problem finding it in the book, section two. It's a list of eight criteria.

COURT REPORTER: Let me just change tapes:

(Off record: no time noted)

(On record: no time noted)

MR. WEINER: If you'd like, we could, you know, go over each one of these criteria in detail and explain to you how we developed them. If not, you know, we'd be more happy to turn this over to Chuck right now and have him begin his presentation on the last part.

MR. PENNOYER: Commissioner Sandor.

MR. SANDOR: Well, Mr. Chairman, I have lots of questions but I thought it might be well to go through this thing at some point but -- I guess what are the ground rules that we have to deal with this very complex and interesting subject?

MR. PENNOYER: Haven't got to the punch line yet. I would hope that we'd have the presentation and then come back and ask questions.

MR. SANDOR: Yeah, let's do that. (Indiscernible - simultaneous speech)

MR. WEINER: What I'd like to do then is...

MR. PENNOYER: It would be handy however, I think, if you went down the list of criteria and at least touched the ones...

MR. WEINER: Okay. Once we...

MR. PENNOYER: ...basic to your whole ranking procedure and I think a short discussion would be appropriate.

MR. WEINER: Once we've done that, it might be a good time to take a few questions and then I'd like to turn it over to Kim because Kim's presentation really goes over a number of these parcels and shows you how the ranking criteria were actually used on specific parcels. And that might be helpful to help understand how the criteria were applied to particular pieces of land. So, I'd leave that up to you as to when you want to break for questions.

MR. PENNOYER: Well, I believe that might answer some of the questions that we have, so perhaps it would be better if you went through and did that. Otherwise, we'll be asking questions and you'll say "Oh, for example, here's how we did it here" and I don't...

MR. WEINER: But be sure you leave time for Chuck 'cause he's got a section here on the policy considerations that I'm sure you want...

MR. PENNOYER: There is time and I think if you -- we'll take a break about 10:30 so if you want to run down through the interim ranking criteria and briefly touch on each one of them.

MR. WEINER; I'll turn this over to Kim because he's responsible for the formula and I think he'd be the best one to defend the formula rather than...

MR. SUNDBERG: You chickened out again, huh.

MR. WEINER: Chickened out again.

MS. RUTHERFORD: Kim, be sure that when you're referring to a chart, tell them where it can be found.

MR. SUNDBERG: Yeah, I'll hold it up so that people can see. First of all, maybe we should just briefly go down through these interim evaluation and ranking criteria. They were brought up at the January 19th TC meeting, but I think it would be helpful just to kind of briefly go through them again. Does everybody find these?

Okay, there's eight of these criteria and the first one, as Art mentioned, is the linkage criteria. It establishes the linkage between the injured resource or service and the habitat or the feature on the land. So, it looks at things, for example, for resources like feeding, reproductive, molting, roosting and migration concentrations. For services, it looks at essential sites. It includes high public use areas. We look at things like population or numbers of animals on the number -- or the number of public users, the number of essential habitats or sites on the parcel and the quality of essential habitats and sites. So basically, this criteria is to tie an injured resource and service with something on the land that provides a benefit to it.

The second criteria looks at what can that parcel do in and of itself. And this gets to the comments we've heard that what about if you just bought this little parcel here and then

something else happened next door, is that going to affect what's going on in that parcel. So, we looked at each one of these parcels to see what it could provide, in and of itself, if you were just to acquire that parcel; can it function as an intact ecological unit and can it provide the benefits that you want it to provide.

Criteria number three looks outside and sees what is going on outside that parcel, adjacent land uses. For example, a parcel that's embedded in a national wildlife refuge would basically have some kind of conservation management surrounding it whereas a parcel that was embedded in some other commercial forest land might have timber harvest occurring around it. So, it looks outside the parcel and sees what things are occurring outside.

Number four looks at how many different kinds of things are going to be protected. Essentially, if you're going to benefit more than one injured resource or service, you get a little more bang for your buck if you buy that parcel. You get multiple species or multiple resource or service benefits; it should be ranked a little higher.

Number five looks at whether there's any critical habitat for depleted rare, threatened or endangered species. The idea being there that if there's an opportunity to protect some critical habitat for species that are already depressed or declared depleted rare, threatened or endangered, it should have a little higher benefit or a little higher ranking than the

parcel that wouldn't do that. Number six -- oh, incidentally, all the parcels that we looked at, none of them have that kind of habitat at this point. There are no depleted, rare, threatened or endangered species officially listed on each of these parcels yet.

Number six looks at whether the habitats or sites on the parcel are particularly vulnerable or potentially threatened by human activity. A parcel that has habitat that isn't really impacted by anything that's perceived in the future would have a lower ranking than something that has habitat that's very sensitive to some type of human activity.

Number seven looks at whether you can manage the adjacent lands easily, compatible with the resources on the parcel. Again, it looks at who the land manager is of the surrounding land to see whether that can be incorporated easily into their management scheme.

And number eight looks at whether the parcel is in the spill-affected area. And this gets to concentrating in this interim process on those parcels that are within the spill-affected area or a spill-affected area. I might just touch real briefly on the fact that we don't have an officially designated spill-affected area but in order to do this analysis, we had to develop some kind of a geographic area to look within and some boundaries. And so, we used an interim boundary that was developed by the restoration planning group which is where we're calling sort of a gray line area. It encompasses essentially

from the Copper River to the west and incorporates all the watersheds in Prince William Sound and the Gulf Coast, lower Cook Inlet and the Kenai River watershed and the Kodiak Island Archipelago including Afognak, Shuyak and the Alaska Peninsula down to about Chignik.

MR. WEINER: One thing I would add to Ken's discussion is that bear in mind that much of this analysis deals with the concept of presumptive habitat, that we presume that the areas that we have within the polygons contain the species or the service that we're interested in protecting. In many cases, we have no verification. We don't have bird in hand, pardon the pun. We may be talking about a murrelet in a poke unless we go out and verify that, in fact, murrelets are nesting on this parcel of land. We're using best professional opinion and we've chosen the term, presumptive habitat. We presume that based on best professional judgment that the habitat does, in fact, contain the resource in question. And we're very concerned that we have a level of information that gives you all the confidence to make the kinds of difficult decisions that you're going to have to make in the future, assuming you go forward with the habitat protection element in the restoration plan. And it's the confidence in these data that we feel could be built up a little bit higher or significantly higher if we could get permission from the landowners to go out on their land and verify whether or not these resources do, in fact, exist on their land. Walking streams, for instance, is an excellent way to determine whether

or not we have anadromous fish on a particular, you know, water body on a parcel of land. But keep that in mind that in many of these cases, our data is soft.

MR. SUNDBERG: Sounds like an arms control agreement. Trust but verify. The next thing I'd like to do is just sort of do an overview of the parcels that we evaluated and probably, the best way to do that would be to go to section three...

MR. SANDOR: We're not going to discuss the criteria?

MR. PENNOYER: We were going to wait until he applied it to the parcels. If you wish to ask a question now, go ahead.

MR. SANDOR: No, that's fine.

MR. SUNDBERG: Take a look at this map. Should be in section three, hopefully. This gives you sort of an overview of parcels that we looked at and they range, again, from the Copper River --west of the Copper River area through Prince William Sound along the Kenai Peninsula and include parcels on Afognak Island and southern Kodiak Island. The other thing that I direct you to is this parcel ranking analysis. It's this spreadsheet. I believe it's also in section three.

MR. WEINER: Right after the map.

MR. SUNDBERG: This is an overview of all these parcels that are located on those maps with sort of at-a-glance how they ranked in scoring against those eight criteria. And what I'd like to do is sort of explain to you on this thing, on this ranking analysis how we went about scoring each one of these parcels. There's 22 parcels that we scored and 19 of these are

what we're calling the imminent threat parcels which means there's some type of development activity either occurring on them or contemplated in 1993. Three of them are these opportunity parcels. The opportunity parcels are aster- -- there's an asterisk after them so in other words PWS 07, Chenega, is an opportunity parcel.

The ranking criteria, the one through eight, were applied for each one of these parcels. And for the first criteria, that's that linkage criteria, we scored for each parcel and each injured resource and service, all 15 injured resources and services, we gave them either a high, moderate or low or none in terms of what benefits that parcel provides to that injured resource and service.

MR. PENNOYER: Kim, excuse me. That comes back to section two, to the table there shows resource, high, moderate, or low?

MR. SUNDBERG: Exactly. Go back to section two so you see this "Criteria for Benefit" table. And these are criteria that we used within criteria one to rank high, moderate and low.

For example, for anadromous fish, the first one, if there's a high density of anadromous streams on the parcel, multiple injured species and/or the system is known to have exceptional productivity, it gets a high score. If there's few or no streams on the parcel or one or less injured species, it gets a low score.

So, we went down for each parcel and for each injured

resource and service and scored them high, moderate or low in terms of what benefit the parcel provides for that injured resource or service. And that's reflected again in this parcel ranking analysis in terms of 0-H, 6-M. What that means is that there was no highs and six moderates for the Orca Narrows PWS 01 parcel. Now, comes the tricky part and you have to bear with me on this one. Well, before I get to that, before I get to the scoring, the two through eight criteria were just scored yes or no. So, if it met the criteria, it got a yes; it didn't meet the criteria, it got a no.

Now, we get to the tricky part. We wanted to have some way of ranking these parcels and to reflect how many highs, moderates and lows they got in terms of linkage and how many yes's or no's they got in terms of the other criteria. So, we developed this scoring formula and that's reflected on number two on the second page of this parcel ranking analysis. Footnote number two. We took the highs and we gave them a one score; we took the moderates and we gave them a half a point and we took the lows and gave them a zero. And we summed up the number of highs, and the number of moderates which was half, .5 times the number of moderates and we multiplied that times the total number of yes's that we got for the other criteria. And that gave us a score which is reflected in the right column. So, for example, in the example that's provided here in footnote two for KAP 08, Shuyak Strait parcel, there were three highs and you add that to .5 times 10 which is five. So, you get eight and then you

multiply that times six yes's and that gives you a total score of 48.

The important thing with this ranking formula is that it gives a lot higher weight to the linkage factor. So, parcels that have more linkage to injured resources and services will have a disproportionately higher end score. The other thing that it does is that if a parcel has no linkage, in other words, it doesn't either get a high or a moderate in terms of what its benefit is, it essentially can never get a score higher than a zero. And that will eliminate parcels that don't have any linkage to injured resources and services.

So, now, I would direct your attention to this parcel ranking and acreage summary and then what I'd like to do is walk you through how we scored a highly rated parcel and how we scored a low rated parcel and give you an idea of the spread that we looked at. Basically, this table gives you at a glance all 23 parcels or 22 parcels that we evaluated and divided into the imminent threat parcels and the opportunity parcels. And it's hierarchal. In other words, the ranking is within the imminent threat parcels the top ranked parcel is number one and under the opportunity parcels, the top ranked parcel is ranked number one.

It also provides the acreage of the parcel that was evaluated so it would give you an idea of what size acre or what size these parcels are that we're looking at and gives you an idea of the spread of the scores, so we had a high score of 60 which was PWS 07, Chenega Island/Eshamy/Jackpot and a low score of zero which

was Windy Bay. There's a couple of them that share the same rank because they have the same score so that's why there's two number nines and two number twelves.

So, now what I'd like to do is walk through a couple of the parcels. I'd like to go through the KAP 01, Seal Bay, Afognak Island, as a high example. I think you've probably heard enough about China Poot/Kachemak Bay already on previous presentations, so we'd try something new here. And then I'd like to go through a low one also to give you an idea of the spread and what kind of information we're dealing with. So, if you could turn to the tab that says "Kodiak/Alaska Peninsula KAP". KAP 01.

MR. WEINER: You're looking at this map.

MR. SUNDBERG: And then we'll be going through this parcel analysis that says KAP 01 on it. First of all, the map shows you what kind of information we evaluated and how this parcel was laid out. The information that's on this map shows land ownership, the tan colored is private lands; the green colored is public land, either state or federal. The dark rust brown color is timber -- previous timber harvest areas, areas that have already been harvested. The red areas are our best estimate of what projected timber harvest areas are for 1993 and this information, incidentally, was based on either forest practices notifications that had been received by the agencies or timber plans that had been provided by some of the operators. It was also supplemented by information from the Department of

Natural Resources Forest Practices biologists and Department of Fish and Game forest practices -- or forest practice foresters in DNR and the forest practices biologists in the Department of Fish and Game. It's not a hard boundary and it's our best estimate at this time of where timber harvest is likely to occur in 1993. Under the Forest Practices Act, notifications have to be given 30 days in advance of timber harvest activity so there could be other timber harvest occurring within here that we're not aware of right now or plans could change and they do change. The other information that's provided on this is the forest cover so this is the checker cross hatching green on the map gives you an idea of where forest cover occurs. It doesn't try to discriminate between commercial and non-commercial timber. It's simply where conifers are growing and obviously, there's different volumes and different densities of timber depicted in this area.

MR. WEINER: Mention the satellites (indiscernible - unclear).

MR. SUNDBERG: Yeah, actually this information was based on this satellite image which is behind you, this big blue thematic map that was developed from a spot (ph) satellite image so the green mimics the green on that map. Other information that we provide on this map are the anadromous fish streams and other streams that show on U.S. Geological Survey maps. That gives an indication of where we've got anadromous fish spawning and rearing. We've included all the documented bald eagle nest

sites. These are all documented bald eagle nests, not necessarily just the active ones. The seabird colonies are depicted on there by small red seabirds and the parcel boundary is this heavy red line that goes around. And you'll notice on this KAP 01 that we've included a parcel boundary that's larger than the red area that is imminently affected by timber harvest.

The reason for that is that the land owner, Akhiok/Kaguyak/Old Harbor Joint Venture requested that we take a look at their holding up there and so we included lands that were in addition to those that had been noticed for timber harvest. They originally selected this land for commercial timber and they had plans -- or have previously expressed plans of logging basically most of that cross hatched forest cover area within that parcel boundary.

So, moving onto this table here, the analysis, once we'd established the location of these parcels -- each one has a unique number and that's kind of a control number so we're not talking apples and oranges later on if the boundaries start to change or whatever. It's a unique number for each parcel. The name is essentially whatever geographic area is located nearby. The landowner is the first footnoted box and that's the land owner of record for generally the surface rights on that parcel.

And the important thing -- for KAP 01 it's Akhiok/Kaguyak/Old Harbor Joint Venture. The important thing to remember is that there are other owners of rights on these parcels. There may be owners of timber rights; there may be owners of subsurface

rights. So, there's other owners and we didn't try to depict all the various different landowners, but that's something that will have to be considered obviously when we get into negotiations for habitat protection.

The parcel acreage is the area that we evaluated within the lines, so in other words, within that heavy orange boundary is 15,000 acres. And that we kept to that on each one of these evaluations in terms of what is -- how much area did we look at. The total acreage is our estimate of what the total holdings of that particular landowner is in the spill-affected area and that gets back to the question of well, what context is this holding within the big picture of what this landowner owns in there and so between Akhiok/Kaguyak and Old Harbor villages, they own an estimated 253,000 acres within the spill area.

Box number four is the affected acreage. That's the area within that red blob on the map and that's our estimate of what is likely to be affected by an imminent development activity so in this case, it's about 1600 acres.

So, what we did after establishing the parcel and getting the acreages all down and looking at the maps, we just went down all the injured resources and services and that's in this left column and rated them for potential for benefit as high, moderate, low or none. And the comments are basically capsulized summaries of what the resources or the value is for those particular injured resources and services. To do this, we had a small interdisciplinary team that sat down and basically

cranked through each one of these parcels. We had all this resource material which is in Appendix -- it's in section five in the appendices that Art went over -- all the existing agency documentation that was available. We consulted the NRDA studies. We consulted the Nature Conservancy report and the maps that were produced with all the resource experts and they're also listed in section five as to all the different people that participated in putting these lines on maps, showing where these habitats are. And essentially, used best professional judgment amongst us as to what that ranked, high, moderate or low based on those criteria that we previously went through. Where there's a none, it basically means there's nothing there on that parcel that directly benefits the resource or service. So, in terms of common murre, there were no common murre colonies nearby and so we rated them none. And again, in terms of the overall scoring, that rates a zero as does a low.

In this particular case, this parcel rated high for marbled murrelets. That was the only -- or bald eagles and marbled murrelets received highs. The marbled murrelet category, we had resource experts that said, you know, I don't know that precisely there's a nest on that parcel but by golly, that's the best marbled murrelet habitat I've ever seen and so therefore, I say that there's a high confidence that nesting occurs on that parcel. And these are people that work with the birds and have a pretty good feeling for what nesting characteristics constitute marbled murrelet habitat, but it doesn't reflect that we actually

have done nesting surveys on this parcel to know precisely if, or how many, marbled murrelet nests occur there.

Bald eagles rated high. I think the maps shows that there's a fairly high number of bald eagle nests on the parcel and it was essentially felt -- actually, all the bald eagle nests don't occur on this one but there are 42 documented nest sites on this parcel and that's, by our criteria, ranked a high.

Anadromous fish, black oystercatcher, harbor seal, Harlequin Duck, intertidal/subtidal biota, pigeon guillemot, river otter, sea otter, recreation/tourism, wilderness and culture resources all rated a moderate. And again, that's based on the criteria that we previously went over in terms of the values that it provides.

I might just mention here that in addition to the resources we evaluated, we also looked at services and here's where our information base is the weakest probably. We don't have access to very good objective information about what service values these provide but we looked at what available information there was and basically made some judgment calls on how to rank them. Recreation/tourism got a moderate. It's a high value recreation area, but it has difficult access and there aren't high numbers of people using it so therefore, rather than getting a high, it got a moderate by our criteria. Wilderness is another example. Has high wilderness characteristics but some of those characteristics are declining because of timber harvest in this area so it got downgraded to a moderate in this particular case.

You'll see in some of the other parcels wilderness values got high because there basically hadn't been any activities occurring on the land and so they still had a lot of wilderness characteristics.

Subsistence in this case rated low, not because there aren't important subsistence resources there but it generally gets relatively low use, relative to other areas in the area primarily because of the difficult access. It's on the north end of Afognak and it's difficult to get to.

Other information that we provided on the third page of this analysis -- well, at the bottom of the second page, we wrote basically a capsule summary on the ecological significance. What is it about this parcel that supports resources and in this case, and in other cases, we sometimes went outside of what were direct values to injured resources and services. For example, this parcel supports a non-injured species such as deer, elk and brown bear in addition to the injured resources and services. The adjacent land management, again, that's an attempt to show who owns the land around this so it gives you an idea of who the land manager is in the area and what are they doing. In this case, it's Afognak Joint Venture and they're managing the land primarily for timber harvest and tree farming. On the third page, the imminent threat opportunities, this is our attempt at describing what it is that's either an imminent threat or an opportunity. In this case, it's a split. "A portion of the parcel is proposed for logging in 1993 as an extension of an

ongoing timber management operation by Koncor Forest Products. Akhiok/Kaguyak has expressed an interest in discussing habitat protection for remainder of the parcel."

The protection objective. This is probably one of the most important things is what is we're trying to protect. And this is going to be important in any future negotiations is to determine what our objectives and what is it we're trying to protect out there. In this case, this is our first cut at listing what are some of those objectives, "maintain water quality and riparian water habitat for anadromous fish, maintain marbled murrelet and bald eagle nesting habitat, maintain and enhance wilderness-based recreation opportunities."

The next box lists some of the useful protection tools. These are taken from the Nature Conservancy Blue Book which listed all the available realty instruments that are out there for affecting protection and they range from cooperative management agreements up to fee title. We tried in these analyses to list some of the ones that we thought might work for this particular parcel. It's not an all-encompassing list but it gives you a flavor for the kinds of things that we're thinking about. And then finally, the recommended action is the last box.

"This is one of the highest priority imminent threat parcels. Request Akhiok/Kaguyak/Old Harbor Joint Venture to provide interim protection and discuss options for long-term protection."

So, that's essentially a walk-through one of the high value parcels. We can do a low value one and that will give you

an idea of the spread and then depending on what your pleasure is, either take questions or move on to part three which is discussing where do we go from here.

MR. PENNOYER: I've had a recommendation for a break. Can you do the low parcel in about five minutes?

MR. SUNDBERG: Sure. That won't take very long.

MR. PENNOYER: That's about how long you've got from the looks of it.

MR. SUNDBERG: Sounds like an ultimatum. Okay, so let's move to the CIK section and we're going to look at CIK 06 which is Windy Bay. So, that's this map. Everybody find it? Okay, this parcel is located on the outer coast of the Kenai Peninsula and it's depicted as this red blob up here in the upper watershed. You can see that there's been considerable timber harvest activities occurring in this area and this is essentially a small remnant of forest area that hasn't been harvested in the last three or four years. For anadromous fish, it rated low -- well, let me step back. The parcel acreage is about 400 acres. It's owned by the Port Graham Village Corporation. They have a total entitlement or holding of 63,500 acres in the spill area and again, the affected acreage is 400 acres. They've issued a forest practices notification to log that parcel in 1993.

MR. PENNOYER: Kim, excuse me, the parcel is exactly the projected log area, then?

MR. SUNDBERG: Correct. So, anadromous fish rated low. There's one documented anadromous stream. Pinks, chums, and

cohos. Part of that water -- or the north side of that stream has been previously logged with a 66-foot buffer along it and it's also in the headwaters in the documented anadromous spawning is actually downstream from the parcel. For bald eagle, there are no documented nesting so it got a -- there's possible feeding and perching in the area, so it got a low. Since this parcel is removed from the coast by several miles, it got no benefit for black oystercatchers, common murre, harbor seals. For harlequin duck, it got rated as a low. It's possible nesting but that's unverified. Intertidal/subtidal biota, again, none. Marbled murrelet. Now, here's a case where we basically had to give it an unknown. We didn't have any information either from the Nature Conservancy or any other sources of information about whether or not there were marbled murrelets or potential nesting in this area. So, in our process, an unknown basically gets a zero and that's something that we feel the process is dynamic. If new information comes in, we can plug that in and rescore these parcels, but for the time being, it gets a zero for marbled murrelet because we just don't know whether there's anything there. Pigeon guillemots, none, river otters, low, possible denning. Sea otters, none. Recreation/Tourism got a low because of limited access. It gets a low amount of use for bear and goat hunting in the general vicinity. Wilderness gets a low because of the extensive cutting occurring in the area. We didn't have any information on archeological sites so it got a none. Subsistence got a low. "Associated streams within the

parcel support anadromous fish spawning and marine habitat. This is one of the few remaining unharvested forest stands within the Windy Bay watershed." The adjacent land management is Nanwalek Corporation which was formerly English Bay. Kachemak State Wilderness Park is in the vicinity. There have been forest practices notices filed for clear cutting this parcel in '93. The protection objectives would be to maintain water quality and riparian habitat for anadromous fish and maintain nesting opportunities for marbled murrelets and bald eagles.

Useful protection tools, in this case, we thought maybe cooperative management agreement might be the best approach on this parcel. Recommended action: "Habitats in this parcel have a relatively low value for recovery of injured species and services. We request Nanwalek Corporation to provide interim protection and discuss options for long-term protection. So, that gives you an idea of the lowest score parcel. And at this point...

MR. PENNOYER: Thank you, Kim. I think we'll take a 15-minute break at this point.

(Off record: 10:26 a.m.)

(On record: 10:45 a.m.)

(Enter Mr. Cole)

MR. PENNOYER: Will Trustee Council members please come back to the table? Will the Trustee Council member please come back to the table? I think we'll go ahead and get started. We've got quite a bit to cover on this agenda and the

presentation we were receiving has not been completed yet. I think we'll get that presentation completed and then open the floor to the questions from the Trustee Council and then decide where we need to go from there. So, if you want to continue your presentation.

MR. WEINER: Thank you, Mr. Chairman. I'd like to introduce Chuck Gilbert from the National Park Service who will tie up the presentation by discussing some of the policy considerations that we need to have some review by the trustees.

MR. GILBERT: There's actually one last portion of the tract analysis that Kim Sundberg would like to talk about briefly.

MR. SUNDBERG: Well, I'll just finish up by saying, first of all, if there's any of these other parcels that the Trustee Council wants to go through in terms of our rationale for ranking or analysis, we're available to do that. And secondly, in your packet, there's a decision summary table which gives you the opportunity to go down and decide which ones of these parcels you think we should go forward with or not. If I can find it. Here it is. It should be in part four. Basically, it's a blank -- it's a table with the parcels listed, the acreages, what their score is and then there's a blank block on the right-hand side that says decision to proceed. And since we are asking the Trustee Council to give direction on which parcels to proceed with, there's basically a yes or no column there and a place you can write any notes or if it's a maybe or something like that.

That's in there and available if you want to use it. And that's basically that's all I had.

MR. PENNOYER: Thank you. Do you want to proceed, Mr. Gilbert?

MR. GILBERT: Sure. I'll conduct the last part of this presentation and basically, my presentation is on where we go from here. I've got five items to present to you. Three of them are decision items which we hope to get a decision on today from the Trustee Council. Two of them are just informational items to let you know some of the policy considerations we're beginning to discuss and we'll need decisions on later.

The Restoration Team proposes the following items. Number one, we propose to obtain your authorization to send a letter to each of the owners of the 22 imminent threat and opportunity parcels discussed just before my presentation. This letter would inform these owners of the basic elements of the habitat protection process and would request whether they'd be willing to participate in the process. In addition, we would send out as part of this package that Kim just presented the particular item that relates to the tract for that particular owner. And they could review that information for accuracy and react to it to us. A sample letter is included at the end of the discussion paper which was handed out early this morning and that sample letter basically gives a brief idea of what the process is about and there's a form at the end of it which requests whether owners are interested in perhaps selling interest in property or

they can let us know if they're not and to invite them to further discussions. The responses to letter should tell us which landowners are interested in beginning discussions and who may be willing sellers. And we request your decision today on that item regarding sending that letter out. Should the Trustee Council wish to do so, we can begin the comprehensive habitat protection process by sending this same letter or one very much like it to the other known landowners in the spill-affected area. This could be done in conformance with step ten of the comprehensive habitat protection process that was detailed in the July 1992 restoration framework supplement. Again, we request your decision on that particular item today.

The second item I'd like to present is this: We propose that at the next Trustee Council on March 10 you select one of the four options for negotiating and -- for conducting the negotiations and acquisitions that are described in a discussion paper presented this morning. For habitat protection and acquisition to be successful, contacts, discussions, negotiations with landowners need to be professionally done and done in a consistent manner. And the four options we present there attempt to present ways in which that could occur.

MR. PENNOYER: I'm sorry. Where are you referring to?

MR. GILBERT: There's a discussion paper that was handed out this morning.

MR. PENNOYER: Yes.

MR. GILBERT: It's a seven-page discussion paper. It

lays out four basic options, A through D.

MR. PENNOYER: I've got that. I'm trying to find the place in the paper you're referring to. I found the part at the end of the letter and the part on the steps -- the next steps. but you referred to something like four options.

MR. GILBERT: The four options, they're lettered A through D and it basically discusses who would be doing these negotiations.

MR. COLE: Could we hold on just a minute? I think we're all having a little trouble finding A through D.

MR. GILBERT: Okay. It begins, I believe, on page one of that discussion paper.

MR. PENNOYER: A through D starts on page two of the discussion paper.

MR. COLE: I have it. Thank you.

DR. GIBBONS: Mr. Chair, would you like us to walk you through A through D briefly?

MR. PENNOYER: I thought that's what we were doing. We're not?

MR. GILBERT: We can do that right now or we can wait for questions, but I'll go ahead and maybe give you a brief summary of A through D at this point. So, as I say, these basic options relate to who's actually going to be doing these acquisitions for the Trustee Council.

(A) would be done -- the acquisitions and negotiations would be done by the agency to whom the Trustee Council designate

the title would pass at the end of the acquisition. So, for instance, if a tract were within the Chugach National Forest and the Trustee Council designated Chugach National Forest as the ultimate grantee of that tract, Chugach National Forest, the U.S. Forest Service would conduct that acquisition. The decision as to who the grantee would be would need to be made by the Trustee Council and we're not taking it as a given, that just because it happens to be within a forest or a national park that that tract would pass to that particular surrounding land manager. Again, that's a Trustee Council decision. But the basic idea with Option A is an agency would conduct the acquisition itself, would be designated for a particular tract to conduct the acquisition and negotiations.

Under Option B, what we're anticipating here is that a government project acquisition office would be set up. This would entail bringing people in from the various agencies to conduct the negotiations and acquisitions for the Trustee Council. The advantage here, as it's seen, is that in having one project office, the negotiations could be handled and acquisitions in general could be handled in perhaps more consistent manner by one group rather than have individual agencies conduct their own acquisitions and maybe not act in a coordinated fashion as a single project office.

Option number C entails contracting with a third party to conduct the negotiations and acquisitions. So, actually a contract would be let to a third party and they would be

responsible for doing basically all the steps which they could do legally to negotiate and conclude the acquisitions. Some steps would have to still be retained by the government agencies, but this would minimize the involvement of the government agencies in this acquisition.

And Option D, again, is using a third party, but rather than contracting, this would be using a third party in the sense of a so-called non-profit co-operator. There's a history of this established across the country, particularly with federal acquisitions but even with the state government, in fact State of Alaska, of using an organization like the Trust for Public Lands or the Nature Conservancy or other non-profit conservation co-operators to act as independent entities and go out and make a deal with the landowners and then make an assignment of that purchase to the government agency involved at a later time.

But in this -- the difference between C and D is basically -- C's a contract where the non-profit or the third party would act as an actual agent for the government agencies. In D, the non-profit would act independently. They would not be agents for the government. They would secure separate deals under some letter or intent from the Trustee Council and the agencies, but they would not be acting as agents. They would be acting -- if they make an acquisition, it would be for -- under their own authorities. It would be to themselves which would later be assigned to the government rather than to undersee -- actually making the acquisition for the government itself.

So, those are the four basic options we've laid out at this time. Currently, the Restoration Team is unable to reach consensus on a recommendation and selection any one of these options. This is primarily due to federal concerns about use of third parties in doing acquisitions. We can talk more about that but basically, it's a fairly dynamic and controversial topic at this time. There's a lot of -- there's several investigations going on at this time of using non-profits by federal agencies and the federal agencies are reluctant for that reason to commit to using third parties and in addition, by normal federal agency procedures, third parties are not ordinarily used if authority already exists to do an acquisition and if the money exists to do an acquisition. So, to use a third party in this case would be an aberration for the federal government at this time.

We're not asking any action on this particular item at this time. What we intend to do is in the next -- in the interim between now and the next Trustee Council meeting, the habitat protection work group and the Restoration Team would work on resolving these differences and putting forward a recommendation to the Trustee Council at your next meeting.

Item number three for me to present today is that we propose that between now and March 10 -- the March 10 Trustee Council meeting, the Restoration Team work on -- work with all the affected agencies to develop draft negotiation acquisition guidelines. These guidelines are intended to assure that all acquisitions and negotiations are conducted in a consistent

manner and that they're fair to landowners and accurately portray and implement the wishes of the Trustee Council. These guidelines could be used by whichever negotiating team or set of teams the Trustee Council would choose. It's expected the guidelines will address a number of topics, such as appraisals, selection of the realty instrument whether it be fee title or conservation easement or a lease and also, would include the approval procedures for any negotiated agreement. It's known that the approval rests with the Trustee Council so negotiations would happen either by the agencies themselves or by a third party but we want to make very clear that the Trustee Council has the approval authority once negotiations have been undergone and agreement is reached that we come back to the Trustee Council for decision on a particular item. We would intend to submit these guidelines for review at the next Trustee Council meeting.

So, we need action on that item only in the sense of authorizing the habitat protection work group and the Restoration Team to do that work between now and the next meeting.

Item number four that I have is we propose that the following selection -- that following selection of a negotiating team, development of negotiation acquisition guidelines and receipt of responses from the landowners on willingness to participate in the process that negotiating teams or a team would begin discussions and negotiations with the participating landowners. We propose that the negotiating team or teams would coordinate with the habitat protection work group and the

Restoration Team to assure that negotiations and acquisitions are consistent with the Trustee Council policies and priorities. As progress is made, the Restoration Team would provide regular updates to the Trustee Council and would receive your guidance on how and if to proceed on any particular acquisition. We're not asking for any decision today on that item but we would be asking you at the next Trustee Council meeting for authorizations to begin those negotiations using one of these teams I've previously mentioned.

My last item is that we propose that the habitat protection work group on behalf of the Restoration Team begin the comprehensive habitat protection process. This primarily entails extending analysis of all the lands within the spill-affected area. We've begun that analysis as you've seen this morning for imminent threat lands and opportunity lands, but what we'd like to do is extend that analysis and kind of get a head start on having that done before the restoration plan is totally complete.

So, I guess to sum up, what we're asking today as far as decisions is number one, whether we should send the letter to all 22 landowners in the imminent threat and opportunity parcel group and also, whether we should send letters to all the owners of all the lands within the spill-affected area. Item number three is another decision item. And that relates to developing draft negotiation acquisition guidelines by the Restoration Team and HPWG in the next three weeks for presentation to you. And item five is whether we should extend analysis to all the lands

within the spill-affected area that HPWG would begin to do that work. And that really concludes our presentation for today.

MR. PENNOYER: Thank you very much. Very good and detailed presentation. Questions from the Trustee Council members on the presentation itself before we get into the individual items or? Commissioner Sandor.

MR. SANDOR: Well, I'd like to observe, Mr. Chairman, that I think this whole process is really excellent and the technology and framework in which it has developed has been good. I think there's a number of areas of refinement. Has any of this been presented to the Public Advisory Group?

MR. WEINER: Yes, sir.

MR. SANDOR: So, they saw the four options or five options?

MS. RUTHERFORD: No.

MR. WEINER: Not the policy considerations, but the briefing document short of the presentation that Chuck has just made in terms of the policy considerations.

MR. SANDOR: I see. Okay, so they have not seen this discussion paper?

MR. WEINER: Not what was given out to you today.

MR. SANDOR: Okay. Well, I had a couple of questions, just on background. Insofar as the interim evaluation ranking criteria, the eight criteria are concerned, with respect to evaluating the habitat sites itself and particularly, the number of species, there didn't appear to be any distinction between the

range for example of Harlequin ducks, treatment of the habitat in the different areas affected or impacted by the spill. And the reason I raise that question was one, it was my understanding that the reproductive problems with that species was focused in some specific areas. Why then in that instance and perhaps, other specific species is there no distinction between areas -- of the range of the species involved?

MR. SUNDBERG: I'll try to answer that. We, at this stage, had to look across the board throughout the spill-affected area for injured resources and services and deal with them on a whole spill basis. We didn't have information that said this particular population which uses this area for feeding is nesting in this particular drainage. That data doesn't exist. So, in order to fairly and objectively evaluate across the spill-affected area about what the relative habitat values might be out there, we didn't factor in this weighting of one spill-affected area against another one. That's the short answer.

MR. SANDOR: So, then does it follow that throughout the entire area wherever an evaluation is made, there is no distinction made between one, the degree of oiling; two, the degree of damage to the species or three, the specific areas or -- the specific damage that we're trying to overcome in the case of Harlequin ducks, the reproductive....

MR. WEINER: That's exactly right.

MR. SUNDBERG: That's correct.

MR. WEINER: There's no proportionality.

MR. SANDOR: Yeah. That is a little bit troubling and I don't know if there's a way to deal with that but what that means then in ranking all the areas, you're, in effect, treating all areas the same when that isn't really correct and is troubling.

MR. WEINER: Let me attempt another answer to the question. In terms of direct restoration, I think you're right on the money. We should attempt to proportionately response to the injury and to the area in which the injury occurred but in the context of habitat protection -- I'm awfully glad the Attorney General is here -- we use the element of acquisition of equivalents. And we feel very comfortable that if we can do something that benefits or has potential benefit for a functionally equivalent population of resources that we're on safe ground in this arena. That's one of the ways in which we've attempted to justify what we've done.

The other excuse is the data just aren't there for a lot of this. For instance, if we try to proportion a relationship of habitat protection to degree of injury, we'd probably be spending most of our time and energy in trying to do something for the common murre. And there's very little we've found that we can do for that species.

MR. SANDOR: A second question and then I'll probably ask if others because I have a number of questions. But my second question deals with the definition of imminent threat itself and in the parcel KAP 07, the imminent threat is, I think,

quote recreational development, lodges, cabins and fisheries development, year-round residences. And I guess could you, I guess, define or elaborate on what the threat of recreation development, lodges, cabins, and particularly, fisheries development might be? It seems to me that's a very troubling thing to see as a threat because I thought we were wanting to go fishing; I thought we were wanting to recreate.

MR. SUNDBERG: Well, it's looking at a change in land use patterns in the area from what historically has been in that area. And the area is a very high resource area. It produces a lot of fish and wildlife resources. It's becoming more developed for recreational developments, lodges, individual set net sites down there. With that comes some impact on the resources that are using the area, including increased fishing activity may have an impact on the fish populations, themselves. It's a potential threat. It's perhaps less of a threat than some other threats we can think of but it is something that needs to be taken into consideration when you have a change in an area that's basically been historically very remote and very low development to something that's getting more developed. Not necessarily bad -- we're not making bad or good judgments here. We're simply trying to get across that there is some impact that may be occurring to these species that we are trying to restore as a result of the development activity.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: How do you weigh those factors then? Do you, in fact, weigh those factors as you apply the analysis?

MR. SUNDBERG: We try to. We sort of got into trouble in some respects by coming up with a list of impacts from logging activities but we said hey, this is our best professional judgment about what these impacts are and what they may do to these species so we'll use it as a yardstick to gauge against what relative benefit you might have of protecting the habitat.

MR. COLE: The question, I think, I'm trying to propound is that surely you must weigh the logging threat more heavily than a recreational cabin threat. Do you or do you not?

MR. WEINER: We explained earlier that there's two categories we looked at. One is loss of habitat, i.e. logging. If -- it's obvious. You cut down a nesting tree, you're going to have a pretty significant impact on that resource. On the other hand, there's disturbance factors that we also looked at which we weighed far less than we did the actual loss of habitat. So, those are the two elements we looked at when we analyzed the threat. Was it a loss of habitat or was it a disturbance threat.

MR. COLE: What I was then further driving at do you have an objective scale for that type of analysis or is it subjective? I mean just...

MR. WEINER: It's based -- I would say that's primarily based on best professional judgment. We've reviewed the literature; we've looked at what the scientific community and the resource management community views as impacts from these types

of threats but quantification, no.

MR. SUNDBERG: I'd also point out that overall, KAP 07 is listed as an opportunity land rather than imminent threat and I think that that's our relative judgment that although there's some changing land uses occurring in the area, it isn't under that imminent threat category at this point.

MR. SANDOR: Well, just to follow up. On the other hand, the score actually reached in that particular parcel is 30 which is a fairly good score compared to many of the parcels and I heartily endorse the opportunity of parcel concept because if we do not get on with looking at opportunity parcels, what we will be doing is encouraging people to maneuver themselves into a quote imminent threat position and then that really is something that would be a problem.

So, Mr. Chairman, I'm troubled by the first -- the answer to the first question and this question and I really would like to know what the Public Advisory Group would -- how they would deal with this and particularly, how they would evaluate these parcels and perhaps, prioritize them. I have more questions but perhaps other trustees have questions as well.

MR. PENNOYER: Commissioner Rosier.

MR. ROSIER: Thank you, Mr. Chairman. I'd first like to say I think the working group has done really an excellent job. This is a good piece of work in my estimation and I guess we are looking at, you know, interim evaluation set of criteria here at the present time that I'm sure, you know, as we get into

this, I think we'll probably see some changes. I had a question in regards to number five where we talk about "parcel contains critical habitat for depleted, rare, threatened or endangered species." Why did we restrict that only to the depleted, rare, threatened and endangered species? It seems to me that conceivably you could be looking at critical habitat for other species as well and you obviously didn't find too many rare and endangered species looking at the no's that you got on your evaluation.

MR. WEINER: Let me take a shot at that one. In my work in the past in doing this kind of thing, you always -- we've always in the past look at rarity and the listed species -- the list that the federal government puts out, is always a good indicator of, you know, what's rare. And so, you usually start with that. And in our context, what we've tried to do is to look at a multi-species concept in habitat protection. We certainly are putting a premium on ranking those lands that contain affected resources, but just affected resources don't make a ecosystem. And so, you have to look at some of the other values of the parcel of land and look at rarity and diversity. And that's basically what we're trying to do is encapsulate a concept that looks at multi-species, multi-system values. And we chose those highest areas, the endangered, threatened or depleted resources as indicators of that diversity and our desire to protect that kind of diversity.

MR. ROSIER: I guess -- if I might, Mr. Chairman,

follow up.

MR. PENNOYER: Go ahead.

MR. ROSIER: In terms of the critical habitat and I can think of situations, for instance, with red salmon in which, you know, some tributary system, you know, to a lake, it may be a very small parcel of land could be really critical habitat for that particular species and yet, in terms of your criteria and your overall evaluation, that would not rank very high as I understand your criteria because, you know, it's one stream, small area, and it ends up that it's not really ranked very high.

MR. SUNDBERG: We did build in for anything that had extraordinary productivity, things like the Kenai River or some other system. It could get a high rating for anadromous fish even though it may only have one stream on it. You're right. We don't have a way of ranking particular stocks of fish or particular subpopulations of fish higher unless they have some sort of formal designation by law that they're important at this point.

MR. PENNOYER: I'll try it. Just give me a little time on the size of the parcels, relative to the ranking. For example, some of these parcels are exactly the size of the area to be logged and they didn't happen to encompass any seabird colonies or other things. Seal Bay, for example, is hugely larger than the imminent threat locale and there's no obvious ecosystem tie between the logged area and some of the areas that are on the map and when you draw the map that large, you

encompass a lot of eagle trees and a lot of seabird colonies and so forth. I'm not saying we shouldn't do that but in your view of the ranking criteria, it seems to me the way you draw that parcel has a great deal to do with what you end up putting in there under your yes's and no's. And some of those others that rank low, if you expanded it by a factor of six or eight or ten, will probably encompass habitat that was important. So, how did you arrive at that and how does that relate to your ranking?

MR. SUNDBERG: Well, we've been sort of struggling with this same thing you talked about with the imminent threat. We don't want imminent threat to drive this process. We didn't want to be so narrowly focused on just some little parcel that we didn't look at the bigger picture. In the case of Seal Bay, because Akhiok/Kaguyak/Old Harbor had basically approached us and said, "Would you look at more than just this area we're logging at." We said, sure, we'll look at it and we included it in there. Some of the other parcels are more tightly defined simply because we didn't get that kind of interest from the landowners at this point. We haven't gone out formally and asked them but they didn't volunteer their land for us to evaluate. So, we stuck very close to what we felt had been noticed by a forest practices notice or we had gotten from a state forester that it was likely to be logged.

MR. WEINER: Let me take a crack at that from a more theoretical point of view. In general, big is better. Commissioner Rosier's example, notwithstanding, and we have to

bring that into the equation too, but generally, when we looked at these parcels, the larger the parcel that we could look at, the larger the self-sustaining ecological system we felt comfortable in recommending. So, that we could protect the parcel that we're really interested with a large enough buffer that would do one, it would pick up perhaps the entire watershed and two, give us a large enough parcel to withstand natural predations that would occur and allow a parcel to survive, given those kinds of predations, of fires, things of that nature. If we try to protect too small of a parcel, we may lose it to a forest fire; we may lose it to a beetle infestation. There's so many natural factors that could occur that would moot our efforts to protect a particular habitat so we attempted to encapsulate both the imminent threat area and a large enough buffer that would allow us to recommend to you a self-sustaining parcel of land.

MR. PENNOYER: So, a follow-up on that then in terms of the list that you've given us here the parcels that are down around 100, 500, 600, 400 acres largely do seem to be drawn directly around some logging permit might be expanded in the future during your discussion and therefore, change -- assume a different value entirely?

MR. WEINER: Absolutely. And this is one of the reasons we very much want to begin discussions with landowners. They have information that might direct us to expanding the size of the polygon.

MR. PENNOYER: So, this ranking might change....

MR. WEINER: Absolutely.

MR. PENNOYER: The imminent threat ranking might change?

MR. WEINER: Correct.

MR. PENNOYER: Because Seal Bay is not all imminently threatened obviously. There's only a small part of it that is -- well, a significant part but a small part of it actually is....

MR. WEINER: Correct. It 's already been brought to our attention that there's some errors in the maps. Some of the applications that were made for permits may have been in error and some of the landowners have contacted us and said "Well, this line may not be absolutely correct." So, we very much want to begin the discussions with the landowners to make our maps more precise and possibly expand the boundaries, based on new information to allow us to capture a better entity that would be ecologically protectable and justifiable.

MR. PENNOYER: Further questions. Commissioner Sandor, you had some more.

MR. SANDOR: Yeah. Well, both you and Commissioner Rosier raised some of the very questions that I had with respect to perhaps some of the low-ranked areas, the critical areas needing protection and either through some kind of a mechanism, cooperative agreement, easement or whatever that would be -- that could be dealt with and this isn't all these species aren't

lumped together and you can focus on specific species. I was curious though in your response, Art, on you said this might lead to beetle infestation. What did you mean there?

MR. WEINER: I was thinking of natural predations that could occur on a parcel of land and if the parcel is rather small, that predation might wipe out an entire stand of trees that's the nesting habitat of let's say the murrelet, a resource that we're trying to protect whereas if we protect a large parcel of trees, it might be able to withstand beetle infestation and there be available habitat for the murrelets to nest even though we lost a certain percentage of the trees to beetle kill.

MR. SANDOR: And beetle kill is regarded as a threat, I presume?

MR. WEINER: Well, anything that would have an adverse impact on habitat, absolutely. At least in my mind, it would.

MR. SANDOR: Yeah, but I didn't -- I guess I didn't see the cause/effect relationship.

MR. WEINER: I use it as an example of some natural predation.

MR. SANDOR: Yeah. But certainly, that's a factor that ought to be considered. Well, how do we -- if I may ask another question, Mr. Chairman.

MR. PENNOYER: Yes, please.

MR. SANDOR: How do we deal with this bridging the -- getting to these opportunity lands and not encouraging people to rush out and try to put these parcels in imminent threat

categories? Is that a potential problem and how do we deal with it?

MR. GILBERT: Well, I think it is a problem as you mentioned before and I guess what we're hoping is the way we intend to treat this opportunity parcels may diffuse some of that. Landowners can come to the Trustee Council, propose voluntarily to have consideration given to their lands and we would look seriously at those parcels they want to discuss.

MS. RUTHERFORD: Mr. Chair?

MR. PENNOYER: Yes.

MS. RUTHERFORD: If I might, I'd like to have -- I think one of the keys here is to move as quickly as we possibly can into the comprehensive process where we begin to analyze all the lands in the affected areas so that we're not focusing strictly on imminent threat lands and I think the more quickly we can begin that analysis and provide you then with that information as it becomes available, the better off we are.

MR. SANDOR: Mr. Chairman, that then leads me to the belief that the trustees should want the advice from the Public Advisory Group and certainly the public-at-large, the community involved and so forth nailed down very, you know, very completely these criteria and the process itself and the definitions. And I guess an agreement that essentially you have in this framework but, I guess get everyone on board fairly quickly and I'm afraid we haven't -- perhaps because of time pressures and what-not and certainly it was mentioned by Brad Phillips to begin that the

Public Advisory Group wasn't asked to do some specific things and if they're going to be meeting or could be persuaded to meet between now and our March 10 meeting. I hope it would be possible for them to focus their skills. We've got some really, you know, very qualified -- well qualified specialists on that Public Advisory Group, some of which are internationally known specialists in very specific fields and certainly get this discussion draft out to everybody and get some feedback from it. I'm fearful, Mr. Chairman, if we send out negotiating teams that we might be a might premature right at this particular point and without the Public Advisory Group being on board and without the new administration having their players here, I just feel that we might want to take that step first.

MS. RUTHERFORD: Mr. Chair?

MR. PENNOYER: Let me -- may I ask a question for clarification here. I don't hear you saying that even on March 10th, we ought to go out and grab one of these pieces and go out and buy it. I mean you're talking about some -- I don't understand timing here. You're talking about some time. Obviously even in the parcels you've selected just by way of the maps are drawn, there's considerable difference possible by drawing the map a little differently after you contact people and talk to them. And you might change some of these values -- some may stay high like China Poot might stay high regardless of what you do -- higher than others but some of these may change pretty dramatically and you're not -- first of all, you're not

suggesting we pick a process to appoint negotiating teams here?

MR. GILBERT: That's correct.

MR. PENNOYER: You're still working on that criteria and you're going to go out and do that. You're not suggesting, I think, that these numbers are strictly final. This is a process that's going to be growing and as more data becomes available, it's going to change. And I think your suggestion is the only action item we really have now that is any type of commitment is to go out and start to talk to these folks on this list and see just for sure -- some of them have already contacted you to see for sure whether some of them are interested and you haven't -- you're not asking for a decision -- I'm not even sure on March 10th what the final decision (indiscernible - unclear). It's only three weeks away and you're obviously not going to have any response back; you're not going to have further public comment on what we -- any information on individual parcels that might be redrawn. So, I'm not clear on the timing of what we need to do now in your view versus what we do on March 10 versus what we do on August 1st. I don't understand how that fits together yet.

MR. GILBERT: Mr. Chairman, if I could perhaps try to clarify that. What we're asking for today is simply a decision on whether we should send letters to all 22 landowners and get some information back from them to see if they want to participate in the process. And that would not even involve discussions at this point. Just put this letter together, a sample of which is at the end of that discussion paper. At the

March 10th meeting, what we propose to do from the Restoration Team have a recommendation as to the composition of the negotiating teams. What we project to do at this point -- at the March 10th meeting is to actually ask your approval of one of those options and to begin negotiations with landowners. Those negotiations, as I think we all know, can be very protracted. If we look at Kachemak Bay or any other land acquisition, it's going to take a lot of time and you develop further information during that process and you refine the areas that you want to, perhaps, make acquisitions in of some interests whether it's easements, or fee simple or maybe it's a management agreement, but there's a lot of definition and redefinition that's going to occur over the months after March 10th as we project it. And any final decision on an acquisition of any sort of interest, we would expect would be months away following those negotiations. And we'd be coming back to the Trustee Council with a report on a regular basis, letting you know how those acquisitions are going -- how those negotiations are going rather, and a decision would not be for several months at least after March 10th.

MR. SUNDBERG: I would like to add that we would bring those reports back to the Trustee Council on the status of negotiations and the Trustee Council would decide which parcels the acquisitions would occur on. There wouldn't be any commitment by the negotiation team to acquire without the Trustee Council.

MR. SANDOR: Just to follow up, then the requested

authorizations that were outlined, one to allow a team of experts to begin discussions with landowners, that would take place when?

MR. GILBERT: That would actually take place after March 10th, as we project it. The only thing we're asking, as I say, at this point is to send letters out to landowners. We want to be very careful that a negotiating team is put together and that negotiating team is a professional team and they would conduct all the negotiations, so we're not asking for actual discussions with landowners of any sort of substantial nature until the Trustee Council decides how that ought to be done and we're hoping for March 10th for that decision.

MR. PENNOYER: Would you clarify the letter and what you intend to accomplish with it? I mean you send a letter to somebody who owns half of Afognak Island and you're sending (indiscernible - unclear) this parcel that you've got here or are you identifying it then more areas that you're interested in than others or just in general, seeing if they come back with the same map you have?

MR. GILBERT: Our intent would be send the map out which we've discussed today for each tract and to identify with them -- request of the landowner if they'd be interested in discussing the sale of that particular tract. Not -- not...

MR. PENNOYER: So, you are pinning it down then to some of these very small tracts and in other cases, the very large tract? How do you make that decision at this time?

MR. GILBERT: Well, the tracts which we presented

today. In some cases, it is a very specific small tract but I think when you get a response from the landowner, you know, and you begin negotiations later, the tract size could either shrink or it could enlarge and that's really going to be a result of the negotiations.

MS. RUTHERFORD: Mr. Chair. I think it's important -- I think one of the things that could easily happen is if we send the letter out to the landowners and they say "Yes, we're willing to talk to you but we want to talk to you about all of our lands and we also want to clarify some information you have on this particular parcel" so it's (indiscernible -unclear) process. I mean we begin to exchange. but we don't -- right now, we just want to get an indication of willingness. We do not want to begin actual discussions until there is a negotiating team because the experts tell us that discussions quickly become negotiations and we do not want to -- we don't want to offend or make any mis-moves.

MR. PENNOYER: Mr. Cole.

MR. COLE: When was the decision made that all these acquisitions would be on a voluntary basis?

MR. WEINER: The willing seller element -- is that what you're addressing?

MR. COLE: Uh-huh (affirmative.)

MR. WEINER: That was one of the primary threshold criteria that we presented to you when we put out the framework document supplement and subsequently, you all voted on a subset

of those threshold criteria in your January meeting.

MR. COLE: I've been reflecting on that issue recently and it may be that we want to revisit that issue and consider the possibility of condemnation actions, if need be, to acquire critical habitat. So, could we put that on the agenda for the next meeting? We'd like to see or hear some discussion of that subject. The reason is obvious, isn't it? I mean if we need critical habitat and the decision is made for the purpose of restoration, that this particular habitat is essential, I mean why would we not want to use the powers of the government, sovereign if you will, to acquire that parcel. And obviously, it has other salutary considerations brought to play. So, I would like to have a discussion of that, if you don't mind, at the next meeting.

MR. PENNOYER: Does anybody object to that proposal for the next meeting?

MS. RUTHERFORD: Mr. Chair, I ask for a clarification. Do you want the Restoration Team to begin to contact the agencies for them to begin react to that or put together some thinking on that or is that something you strictly want to hold at the Trustee Council level?

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, I guess the more brainpower we bring to play on that issue, the better. I don't -- although it may not seem apparent that all wisdom lies in this group of six.

MR. PENNOYER: I think the request is that we bring

back -- appear at the March 10th meeting to discuss the pros and cons of condemnation as part of the process of acquiring critical habitat. And I would guess all the agencies through their respective folks here would come back to the table and be prepared to discuss that. Talk with legal counsel, RT members. I suppose the RT should have that on their agenda to discuss, be prepared to comment at the next meeting.

MS. RUTHERFORD: Thank you.

MR. PENNOYER: Going back to that letter for a second. Let's say you want to -- you're going to -- you want to write a letter out to somebody on KAP 04 and from the map, I can't tell what KAP 04 is for sure. '93 projected timber harvests extend all the way up the bay. KAP 04 the arrow seems to point to one little tiny dot on one side of the bay and sort of at a bunch of dots on the others side of the bay.

MR. SUNDBERG: Well, let me clarify -- that one...

MR. PENNOYER: And if you did -- if you followed the Seal Bay idea, you might just draw a big square around the whole bay, recognize part of it's been logged and have that enter into the discussion. We have a lot of seabird colonies, a lot of eagles and so forth. And I'm still not clear what you want to do with the letter and how that relates to your view of what these parcels are right now.

MR. SUNDBERG: Let me try to clarify KAP 04. It was sort of a drafting nightmare. It consists of all the red blobs with Kazakof Bay. So it's one, two, three, four, five, six,

seven, eight on the east and west side of Kazakof Bay. And apologize for the lack of clarity but it was difficult to draft that. The letter basically just says are you willing to participate in this process and it goes out -- or aren't you and the ones that say no, our proposal is we don't bother them anymore. We say okay, we'll go talk to some other people. The ones that say yes, we say, "Thank you, we'd like to get some more information from you about your land. We may want to reconfigure some of our boundaries." Maybe we made some mistakes on how we portrayed their land ownership or something like that. WE would start to build their information in but not get into heavy negotiation or actual acquisition until the Trustee Council decides on how they wanted to go about doing that.

MR. COLE: Mr. Chairman.

MR. SUNDBERG: There's a big difference between doing it within the agencies or doing it with Nature Conservancy and that's a policy decision.

MR. PENNOYER: Mr. Cole.

MR. COLE: If we do decide that we want to consider the use of the power of condemnation to acquire these sensitive areas of habitat, we would want to change a couple of sentences in the sample letter, of course. That would be one thing we may want to do but more broadly, I think that, you know, our fundamental approach is too narrow in this whole habitat acquisition. And I worry about us getting somewhat you might say trapped in what some might say is our own shortsightedness. For example, if you

look at maps -- and we decide to take a relatively small tract of critical habitat like we've spoken about. Suppose three or four months later, we decide that we want to protect the entire ecosystem in that area where we bought this small tract of so-called critical habitat. I mean where are we then with respect to our broader, you might say grander if you will, approach? I mean with respect to negotiating with the landowners. They've got us in a corner, haven't they?

MR. SUNDBERG: I don't think necessarily. I think what we're talking about is expanding into this comprehensive process as soon as possible. We want to get into this comprehensive process and get off the red blobs.

MR. COLE: I know, but see what I'm saying is I mean once we acquire the red box without at the same time, at least, securing an option on, you know, the ecosystem area, tract or whatever system, then we have lost our bargaining position with respect to the broader acquisition, haven't we? I mean that's the way I look -- if I were the landowner, I'd say "Ha, you want some more, you'll pay dearly for that extra area."

MR. SUNDBERG: I don't really see that we'll have any acquisitions in the next month or so. I mean we're -- this is a long term process before somebody actually signs their name to a deal and there's going to be plenty of opportunities to look at the bigger picture during negotiations.

MR. COLE: Well, that's my point. Why don't we look at the bigger picture now?

MR. SUNDBERG: Because we had to do the imminent threat lands because we were directed to take a look at what -- where our restoration options are being possibly foreclosed on.

MR. COLE: Well, anyway, I think of that and I think that we should give a lot of thought to total restoration plan's parameters when we deal with this subject because I don't think we can segregate.

MR. WEINER: Let me just jump into this briefly. I'm trying to get myself off the floor after you made the comment of condemnation because the problem I have with....

MR. COLE: Did you find that shocking?

MR. WEINER: I have a problem with -- yeah, quite frankly, yes because I have a problem as a scientist because I have less than perfect confidence in the information that we have about the parcels. And to run the risk of telling the landowner we're considering condemning their land without knowing what's on the land with a very high confidence, it makes me very nervous and the cost of going in and building the level of confidence to the point where you can contemplate condemnation is a higher level of confidence than I think we are at, right now. And maybe I'm being a bit too blunt here but that's my first reaction to your comment.

MR. COLE: Let me give my response to yours. With the GAO marauding on top of us to say hey, you know, what are these guys doing out there, we're going to second guess everything they do, I think we -- you know how they are. I mean you just have to

read the newspapers every six months or so and you know, they criticize everybody, the President on down. So, you know, I think we should have a record that we have solid degree of confidence on and I don't think we ought to be going out and spending money to acquire habitat that we don't have a degree of confidence on, you know? I mean...

MR. WEINER: It's the level of confidence that we have to achieve that will make everybody comfortable and right now, we're not real comfortable on some of these parcels and to expand beyond what we've analyzed is going to require more information.

MR. SUNDBERG: Yeah, it's a lot of difference between running a road through somebody's house and condemning it versus knowing that that tree over there that's being cut has a marbled murrelet nesting in it and what we're saying right now is from a marbled murrelet's standpoint, they're nesting out there. We don't know every tree and we'll never know that. You couldn't throw enough money at it to know that.

MR. BRODERSEN: Mr. Chairman.

MR. PENNOYER: Mark.

MR. BRODERSEN: I'd like to go back just a little bit.

I perceive that there may be a little bit of misunderstanding on where we're trying to go with the imminent threat process at this point. The imminent threat process, as we've talked about in the past, is meant as a bridge to get us into the comprehensive process. I don't think the intent for most of these smaller parcels is to acquire these parcels. It's much more to try and

get some interim protection on some of these parcels until we can decide through the comprehensive process whether we want those parcels or parts of those parcels or those parcels with other parcels, et cetera. It's to give us time to get through the comprehensive process to figure out just where we're going with the overall process. There was an imminent threat on some of these parcels, the imminent threat being the change in land management status. That doesn't say it's bad. It just means that we need to have time to figure out what we're going to do in our comprehensive process. I don't think that too many of these do we want to look at acquiring fee simple title to, right now. We need to get it into context and I think we need not to lose that point. That's all we're asking for at this time is interim protection.

MR. PENNOYER: Commissioner Sandor.

MR. SANDOR: Mr. Chairman, if that be the case, that our level of confidence is not as high as, you know, I guess I thought it was. And if, as Mark Brodersen said, we're not going to be acquiring all or most of these parcels, I think we need to be up front with the parties with whom we're dealing because you know, if I was to get a letter like this, I would -- of course, people hear what they want to hear and see what they want to see sometimes but I would be -- I would want the receivers of this kind of a letter to know then that this is a very preliminary step and although you say not all the parcels will be obtained, that -- this just has to be very carefully crafted because a lot

of these -- most of these are very genuine efforts on the part of the managers to have capital that's needed for their corporation or whatever entity they represent and this comes as a, you know, looms at them as an opportunity and or a threat or both and that's why, again I think we really want this -- I think we have to deal with this March 10 but no later than that hopefully but we surely want the Public Advisory Group and the public to look at these options that you got, A through D. And as I said, this was really a great framework, a great process but maybe it's the beautiful maps that made me assume that hey, we've really done a good job on this and we've got this, you know, fairly good and we can perhaps go to acquisition of some of these, you know, within months.

MS. RUTHERFORD: Mr. Chair.

MR. SANDOR: I guess we're not at that point. So, anyway, in summary, I'm worried about how we come across with this letter and we've got to be up front about what it is we're saying to these people.

MR. PENNOYER: Marty.

MS. RUTHERFORD: Mr. Chair, I agree totally that we want to be very careful and I don't disagree with anything Mark Brodersen said. I think that the issue is here we want to approach them very cautiously, we want to tell them we want to begin exchange information. We don't -- we want to eventually get this negotiating team on board to begin the real discussions but the issue really is we want to maintain maximum flexibility

because it could be that while we're only looking for interim protection, if one of the landowners was say, willing to come up with a very good deal -- if they offered something that we wanted to pursue, we want to be able to bring that back to you. We don't want to preclude fee simple title, say, if the landowners were really offering something that was interesting. And so, we've been very careful about saying to you, we're only looking for interim protection or we are looking at fee simple title. What we want is getting a professional group on board, beginning to exchange information and then having maximum flexibility to bring you appropriate and good deals.

MR. PENNOYER: I don't -- you know, I don't have any problem with the idea of going out and asking some of these landowners if they're interested. I have a problem with the red blobs. In the case of Seal Bay, you've drawn an ecosystem type concern. The logging in that one area probably doesn't affect the cape at all out there. The red area in Seal Bay doesn't have a direct impact on the seabird colonies on the other side of the cape, I would guess, okay. Or out at the tip of the cape. So, you've made a decision, you've drawn something based on input you got and it's a broader area; it's 15,000 acres rather than two or 300. I still warrant if you took some of these other maps and drew 15,000 acres square, maybe you'd end up with a clear cut or two on it but you would probably get a different picture on your ranking. I'm a little concerned about sending a letter and a map out that says we want this one blob right here and give us

a price on it and tell us whether you're interested in negotiating and what do you think.

All of a sudden, you've picked that one thing out and it assumes a whole different proportion from what you really maybe are trying to accomplish. We're dealing with imminent threat. But we didn't deal with imminent threat in the case of Kachemak Bay and other places by just picking out one blob. We went for something broader and it was a combination program but we did go for something broader and it was an opportunity. There may be an opportunity here beyond that blob. (Indiscernible - unclear) sending out a letter contacting these folks and saying, "Are you interested. We're interested in dealing with you" and seeing if they're interested. But I have a problem with the blob. I have a problem with sending a letter out and saying. "We want this 200 acres right there" and that blob is what we've got to have. So, I don't know how to get around that but I -- maybe a general interest type thing, "Are you interested in negotiating? We recognize there's a development plan for your property. The Trustee Council was concerned about habitat risks, has interest in discussing with you without identifying the particular blob." As you say, maybe you end up with Seal Bay. Maybe it's much broader, gives you more habitat protection and brings other values in but -- and doesn't preclude future opportunities by picking that one blob, then having to do the next small blob, the next small blob, the next small blob ad infinitum. So, that's clear cut and this has clear-cuts in it

but this is -- so, do you see what I'm saying? You're trapped in something between imminent threat, imminent perceived threat, imminent fabricated threat and a longer term approach and you can't preclude those other options by stepping in, I think, and drawing this one small circle because then all of a sudden, next year, it will be the circle right next to it. You can't say it won't.

MR. GILBERT: Mr. Chairman, I think we anticipated that and when I say we'd send a letter out to these landowners, these 22 landowners, it's really based -- it's the blob that initiated the letter, but we're not committing ourselves to that particular blob. We wouldn't be asking if you want to sell this particular blob. I guess I wasn't really clear in this, but it's the blob that initiated the letter to be sent out because as we've described here, this is the interim protection process, so it's the threat and these opportunities which would initiate the letter, but I think everybody anticipates that once you begin discussions and negotiations with the landowners, you're going to look at a -- you can look at a much broader area and if it turns out the blob -- maybe the blob is valuable in itself and that's fine and a deal could be put together to be brought back to the Trustee Council on that particular blob or maybe it doesn't. Maybe you have to look at another thousand acres or so; maybe you either reduce it or you enlarge from what the blob is. But I think it's going to be quite negotiable, I think, once you begin discussions and negotiations as to what the size of the tract is

but the blob was really just the starting point.

And the idea is to eliminate the possibility of foreclosing options during the time the restoration plan is being put together, but that's only just the starting point. And I think negotiations will really bring out a whole different set of boundaries, based on willingness of landowners and further information we acquire in doing these discussions.

MR. PENNOYER: Mr. Cole.

MR. COLE: Mr. Chairman, one of the things that concerns me is this negotiating process. I know we haven't gotten to that issue yet and that's an issue on March 10th or 11th, whatever, but it seems to me that there are real hazards in starting a negotiating process unless we know exactly what at the end of the day we want to acquire, you know, as a result of the negotiations. And I'm not satisfied in my own mind, having given a lot of thought to this subject, that the best thing to do is to start a process of negotiations whereby we say we want to acquire X or Y, for example, because I think as part of this whole process that we need to receive or bargain for from the landowners more than simply title or easement for X -- or of X. I think that our bargaining strategy, whatever it turns out to be, should be broader based than that. I think that we need to tell these landowners that if we buy X, we expect Y from you i.e. that you won't log this bay over here next year. Because if we say we will buy PWS, you know, what Prince William Sound one and simply say the consideration for that exchange is X dollars,

then, you know, the next year we're dead in the water with respect to the next bay over. And that's understandable. If I were the landowner, that's what I would do too, I suppose, maybe, depending upon lots of considerations. And therefore, I think that before we start this process, we should well know what we want to receive at the end of the day. And I'm troubled that I don't think we have a sense of what we want to do and I don't think we have a sense of what I have consistently in these hearings or meetings referred to as the grand plan and I think that we will not accomplish as much as I personally would like to see accomplished unless we think very broadly about what we're doing here and I realize that people say, well, look, I mean here's this hesitation, we're restrained on acquiring habitat and lands but that may be a shortsighted view. I'm not suggesting that we hold up this process, maybe we should get with it but I think that we have to take what I said earlier as a broader view of what we're doing here. So, that's one of the hazards that I see in sending this out -- "We'd like to start negotiations with you." Anyway, that's what I'd like to say. Thank you, Mr. Chairman.

MR. BRODERSEN: Mr. Chairman.

MR. PENNOYER: Mark Brodersen.

MR. BRODERSEN: We're not exactly positive yet, but in discussions we've been having with Restoration Team and habitat protection work group, we think that we can get to a document like this for the entire spill-affected area sometime this fall

or early winter which would, I think, address some of the considerations we've been hearing here in not knowing exactly where we're going but not to foreclose options on some of these imminently threatened lands, we were wanting to see if we could get some imminent protection on some of those lands before we actually got to the entire comprehensive process. And I keep having the feeling that folks think that we're trying to acquire all of these imminently threatened lands. That's not the case. We need to get them partially protected or for a short period, protected to see how they fit in to the entire suite of lands that we have in the spill-affected area so that a decision -- a rational decision can then be made on which parcels are advantageous to restoration and which aren't. If along the way while we're getting to the comprehensive process, a landowner comes in and gives us a super good deal on a parcel, we need to be flexible enough to be able to grab that, but we don't want to also by the same token be out there trying to get a high cost parcel into the fold before we know it's one that we actually want. So, I think what I'm trying to do is agree with the Attorney General; at the same time, ease his mind on where we're trying to get with this. That it's the comprehensive process we need to get to. We need to have a few steps in between to get there.

MR. PENNOYER: Well, I guess we had -- when we did Kachemak Bay, we saw some opportunities and some imminent threats and we didn't -- we put it through the process to start with and

took a look at where it would rank out, decided it would rank out at the upper end of the list and the opportunity was there and we seized it and tried to take advantage of an opportunity that might be lost because of imminent threat. It seems to me there may be some things and I haven't made up my mind yet that there are on this list that fall in the same category. I see a very low Prince William Sound 02, seems to be a relatively small parcel with a very high ranking and in looking at the run-down, which I haven't had time to adequately peruse, it seems like there are some things though that may be of importance. So, I don't know whether that map, the Prince William Sound 02 is adequate or could be drawn a little bit broader and even increase the values further. I don't know some of those questions and I guess what you're saying is you need to go out and ask. Maybe there are other areas that certainly seem to be in private ownership there that extend down onto Eyak Lake and farther down the river and might even be as important. Maybe the process should include that whole section instead of just that -- certainly if you did Seal Bay on that in 15,000 acres you'd include all of Eyak Lake and all of the surroundings rather than just the part, the upper part of Power (ph) Creek there. So, I don't know but there may be things here that are imminent threat of the same nature that we had in Kachemak Bay that require some looking at. There may be a lot of others that would blend better into the long-term plan. How do we make that bridge and that judgment except simply writing this letter that I think is going

to deal with a lot of parcels that may be very low in priority for any imminent threat.

MR. WEINER: We, as a subgroup, struggled with that issue whether to make a cut-off at a particular -- and recommend to you all everything that scored a ten for your consideration - everything that scored a 20, but where I come from, if it quacks, it's a duck and some of these parcels are so clearly outstanding, they are clearly threatened by some form of development and they're clearly linked very highly to the affected resources and services. The dimensions of the polygon may not be precise but some of these parcels are very worthy of your consideration as soon as possible, because if we don't move relatively quickly on these very highly ranked and very threatened parcels, they may not be worth your consideration in the near future and I don't want to sound alarmist but we do have some parcels that are just very much like the Kachemak parcel and need your consideration relatively soon.

MR. PENNOYER: My assumption is those are generally the ones somewhere in your 15 and above ranking that -- somewhere in there and some below that might fall into it if you change the direction or the design of the parcel...

MR. WEINER: But some do stand out.

MR. PENNOYER: ...and so -- so, I think I want to get out the fact that there are some here that are outstanding and need consideration. I'm not saying today but is this letter writing the first step of starting that? Just in making the

letter perhaps a little broader and it doesn't include just very specific things but more, "This specific thing that got us concerned and we'd like to talk to you about how this all comes together. Are you interested?"

MR. SUNDBERG: We've heard consistently from the public and from the PAG just last week when we made our presentation, we need to go talk to the landowners and we need to bring them into the process and that's all the letter does. It just basically...

MR. PENNOYER: Well, this again, is not negotiating -- it's not talking about the landowner about okay, how much -- starting to negotiate or bargain for money; it's just the first step of determining if there's interest.

MR. SUNDBERG: Willingness.

MR. PENNOYER: That's all you're really trying to...

MR. WEINER: Willingness to play.

MR. PENNOYER: And you think there are some parcels in here that do qualify for imminent threat and really we shouldn't wait for fall or winter to start?

MR. SUNDBERG: After going through this analysis and dealing with these things, I mean you can't go wrong on some of these highly ranked parcels. I don't care about the GAO or anybody. They've got some good habitat in there and they're going to provide restoration benefits.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Strike the GAO comment.

MR. COLE: Mr. Chairman.

MR. PENNOYER: I struck the GAO comment.

MR. COLE: You struck the GAO comment.

MR. PENNOYER: Not yours; his.

MR. COLE: Here's the -- I move we revise the letter, eliminate the willing seller language and send the letters on the condition it's just "Come in and let us know." No more than that.

MR. BARTON: Second.

MR. PENNOYER: It's been moved and seconded that we send the letter out without getting down to detail of the specific blobs and without indicating willing seller. Where would that modified -- voluntary basis, all acquisitions (indiscernible - unclear) voluntary basis. So, just take that one sentence out?

MR. COLE: Well, I think if they're not -- Mr. Chairman, also one -- well, I don't know. I thought there was another sentence but they can take care of that, I'm sure.

MR. PENNOYER: I think you could leave willing participant in because your statement is "We hope you're willing" and so, you're taking one sentence out at the end of the second paragraph that said "all acquisitions be on a voluntary basis." That's really your concern, just leaving up in the air how this interest might be acquired. Ms. Bergmann.

MS. BERGMANN: Mr. Chair, a couple of other things that have been discussed that I think we might discuss again a little further is including in the letter the package of information

about the parcels and asking the landowners if they have additional information or corrections to make on that information. And then also asking them if they have adjacent lands -- lands adjacent to the blobs that we've been discussing if they would like to include those for consideration.

MR. COLE: For consideration.

MR. PENNOYER: I'm a little worried about sending a letter out that says that's the specific one we're interested in. We want them to come back as we did in Seal Bay with a larger approach than what they might be willing to discuss so we can then draw the boundaries according to our resource values, rather than according to the (indiscernible - unclear).

MR. BARTON: Mr. Chairman?

MR. PENNOYER: Mr. Barton.

MR. BARTON: I don't think it matters much whether we include it in the letter or not. I think what we are interested in at this point, at least, is generally well known.

MR. PENNOYER: Ms. Rutherford.

MS. RUTHERFORD: The letter was not intended to focus on the particular blob, again. Again, it was just asking are they willing to participate in this process regarding their lands. Again, as Chuck had said, the blob just initiated the contact with the landowner.

MR. SANDOR: Mr. Chairman, is the map to accompany the letter?

MS. RUTHERFORD: We want to do a -- since this is now

in the public domain, we wanted to send these out to the landowners to get them to begin to react to the blob and other -- you know, just to begin to share information back and forth.

MR. SANDOR: Why send the map?

MS. RUTHERFORD: No need to send the map. We could just send information and...

MR. COLE: So, they'll know what land you're talking about.

MS. RUTHERFORD: But I think it is...

MR. SANDOR: Well, if you want to focus on more than the little blobs, why not deal with their ownership?

MS. RUTHERFORD: We could just note that the blobs are the areas where we have already done some analysis but we want to talk about all of their lands.

MR. SANDOR: Okay.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: But surely they will have come in here and look at these maps and know exactly what we're talking about. There's no secret about it after this moment, is there?

MR. PENNOYER: But I don't think we've identified what we're taking about. We have not adopted these boundaries. They were presented to as information and I think the general area map with the logging shows that are on there indicate (indiscernible - unclear) we know about might be pertinent to tell people, you know, this is generally the area in general we're interested in

but we have not adopted those boundaries and the fact that this Prince William Sound 02 is 1300 acres. Maybe it should be 3,000 acres and (indiscernible - unclear) resource values could draw it at will, we might draw it to 3000 acres rather than that 1300.

So, they can come in look at the maps but since we haven't adopted those, I don't thin we're sending a signal out that yes, we have adopted that particular acreage.

MR. SANDOR: Mr. Chairman, then this enables us to communicate with the so-called owners of the opportunity parcels with the full expectation that we're concerned about the critical habitat on those parcels as well, so are we sending it to all the landowners, both the opportunity parcels as well as the imminent threat? Is that the intention or just the imminent threat?

MR. PENNOYER: Well, the opportunity owners have already indicated they want to deal in some fashion, but...

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, as long as we're doing it, why don't we send it out to all the landowners in the whole Prince William Sound and the whole place and start from there. Then that will get us along a little farther.

MR. SANDOR: Excellent. Excuse me.

MR. COLE: Thank you. I mean, you know, as long as we're starting a process...

MS. RUTHERFORD: Yes.

MR. COLE: ...why don't we really start the process?

MS. RUTHERFORD: That's what we would like to have.
That permission.

MR. COLE: Well, I'll so move.

MR. PENNOYER: Do I have a second?

MR. SANDOR: Second.

MR. PENNOYER: Moved and seconded. The letter go out as previously -- the contents previously identified to all the landowners in the area to try and get responses back without identifying only key parcels at this time. Any comment.

MR. GILBERT: Mr. Chairman, if I might, informational item. To put it in the context of what's been published before, before we'd send something out to all the owners as part of the comprehensive plan, the supplement that came out last July specified that actually an RFP would go out in which we would identify the specific lands we were interested in. And I just raise that as an informational point for you that if we were to send the letter to all the landowners, it isn't exactly in compliance with what has come out before from the Trustee Council.

MR. PENNOYER: Why does that preclude an RFP later that identifies specific lands after you get general indication of interest? I don't understand why that's a conflict.

MR. COLE: Mr. Chairman. This is an implicit overruling of that action.

MR. GILBERT: That's all I needed.

MR. PENNOYER: Any further comments and discussion?

MS. BERGMANN: Mr. Chair.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: It still seems to me that the imminently threatened package that we have here today that includes the three opportunity parcels that, as we heard in our presentation, we're not sure how accurate some of the information is in this package and the landowners certainly have a lot of good information that would help us update that information so I'm still a little unclear as to why we would not want to send just out for their information the package that we've already put together and ask them if they have any additional comments, if they would like to update or clarify any of the information or if they would choose to indicate that there are adjacent lands that they would be willing to include in those discussions. It just seems to me that that would be a helpful question to ask those potential landowners and that we could get more information back from them that would speed us on our way. And we don't have to indicate in our letters that we bought off on any of these boundaries or any of this information. This is simply preliminary information and it's an opportunity for them to provide us with some updated information.

MS. RUTHERFORD: Mr. Chair, I guess I mis- -- I thought that was the direction that the Trustee Council has just given us.

MR. PENNOYER: That wasn't the motion that's currently on the floor. Are you proposing an amendment to the motion then

that for the areas that were presented today, we send out something more specific but not identify the parcels we want to buy, just simply identify the information? How do you quantify the information that we've got presented to us unless you quantify the parcel?

MS. BERGMANN: I would move that...

MR. PENNOYER: (Indiscernible - simultaneous speech)
Bald eagles or what type of information specifically are you seeking from the landowner?

MS. BERGMANN: I move, Mr. Chair, that we simply for the parcels that are contained in this package, the 19 imminently threatened parcels and the three opportunity parcels that we provide each landowner with the package of information that has been developed by the work group so far and simply ask them if they have additional information that they would like to provide us on that information that we've developed that they feel free to do that, including identifying adjacent lands that they may own that they would like to have considered in the process. And that that would be added to the standard questions which everyone would receive, namely "Are you a willing participant in this process?"

MR. PENNOYER: Is there a second for discussion to the amendment?

MR. ROSIER: I'll second the motion.

MR. PENNOYER: But you would clearly -- or make it clear in the letter the Trustee Council had not identified this

parcel for purchase. It simply identified concerns in this area?

MS. BERGMANN: Yes.

MR. PENNOYER: Further discussion? It's been moved and seconded to amend the motion before us by elaborating on the part that goes out to the landowners of these particularly identified areas, imminent threat areas. Is there any objection? Mr. Sandor objects.

MR. COLE: I object also.

MR. PENNOYER: Mr. Cole objects.

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole.

MR. COLE: My view and what propelled me to vote against the amendment is when these people come in, presumably there will be some discussion about, you know, where the land is, what they're most interested in as I perceive the course of events. And I think that that sort of thing can be developed when this conversation takes place, you see. I mean we just as well do it in one step rather than presumably two and that way, we'll just be that much farther ahead and have a greater bunch of data sooner. That's the reason I say we just as well start at ground zero.

COURT REPORTER: Let me just change tapes.

(Off record: no time noted)

(On record: no time noted)

MR. PENNOYER: Okay, is there any further amendments to

the main motion or we ready to vote on the main motion? Any objection to the main motion?

MS. BERGMANN: Can you repeat it?

MR. PENNOYER: Do you want me to repeat the main motion? The main motion was to send out letters to all the landowners in the spill-affected area to get a reading back from them as to whether they're interested in entering into the negotiations as proposed by the team, eliminating only the sentence on voluntary basis, as I understand it.

MS. BERGMANN: Mr. Chair, one comment on that. I'm assuming as noted on the bottom of this letter that this would be reviewed by legal counsel prior to release. So, assuming that occurs.

MR. PENNOYER: Any problem?

MR. COLE: No objection.

MR. PENNOYER: Any objection to the motion? Okay, could we then get an elaboration on where we are in timing? This letter is going to go out and obviously, we're not going to get responses back by March 10th, maybe not by April 10th in total, where do we go next? You're going to work on -- the next part of your question is whether you should work on the guidelines negotiation?

MR. GILBERT: That's correct and I guess in terms of the letter, it's going to be a bit of a task to determine who all the owners are within Prince William Sound or the spill-affected area, rather. I guess I would suggest that we work first on the

imminent threat parcels, get those letters out if you concur with that, if you can agree with that and then put the list together for the entire area but I think I would suggest that we work first on this list of 22 where we already have the owners and get those letters out.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: My view is I'd get out as many as I can as soon as I can and if you're short, you know, you don't get every landowner, well, you know, get them a day or two later. That would be my view.

MR. PENNOYER: Is that sufficient guidance? Start with what you've got and work from there.

MR. GILBERT: Okay. We'll do that.

MR. PENNOYER: Okay. Can we -- it's now a quarter after 12:00. Shall we break and come back and then deal with two, three and four on this list of things that have been asked for action. And how long do we need for lunch? An hour? 1:15.

MR. SANDOR: 1:15.

MR. PENNOYER: 1:15 then. Back here. Thank you.

(Off record: 12:15 p.m.)

(On record: 1:17 p.m.)

MR. PENNOYER: Can we come back to order, please and see if we can get through the rest of this agenda? We left with a discussion of a letter mail-out and I think Attorney General Cole has something he wanted -- an additional comment he would

like to make on our last motion.

MR. COLE: Yes. For the benefit of the habitat protection group, implicit in my motion to send a letter to all the landowners in the spill-affected area was the sense that the letter only go to those who own substantial blocks of land in the area. I don't know whether that's 50 acres or a 100 acres or 500. I leave that to the good judgment of the group, but I had in mind a rather significant acreage in the area. Obviously, I don't think we should be sending a letter to owners of five-acre tracts.

MR. SUNDBERG: So, this lets out the condo owners in Seward, then?

MR. COLE: I would say so.

MR. PENNOYER: Depends on the condo. Okay, could we proceed then? You had a few other items that either required action or something from the Trustee Council. Do you want to present those?

MR. GILBERT: That's correct, Mr. Chairman. These are rather simple, I believe. Number three on the list here that I've got is -- they all seemed simple to begin with. What we propose to do with the Restoration Team and habitat protection work group is put together acquisition negotiation guidelines. And the idea is that we'd have guidelines in place so that when negotiations do begin, they be done in a consistent manner. And these would deal with such things as making sure that it's understood the approval authority rests with the Trustee Council,

discussions of appraised value and fair market value is the basis for negotiations, and any other items that really ought to be spelled out up front, before negotiations begin. And it's particularly important, we believe, to do that if there's going to be more than one negotiating team. Say, for instance, if different bureaus, different agencies are going to be doing the negotiation, they ought to be playing from the same scorecard, basically. So, what we're proposing to do here is just authorize us to put that kind of information together to present to you at your next meeting.

MR. PENNOYER: I -- did you skip item two then?

MR. GILBERT: Item two is...

MR. PENNOYER: Negotiation option paper and went right to three? Or did we already deal with two?

MR. GILBERT: Yeah, we assume that we'll keep working on the negotiation options paper and again, present that information to the Trustee Council at the next meeting. There's no decision required on that particular item.

MS. RUTHERFORD: Mr. Chair, may I interject a minute?

MR. PENNOYER: Yes.

MS. RUTHERFORD: I would hope that the Trustee Council would review the document you've got in front of you though between now and that March work session because right now, it is -- you know, it is the best information we were able to put together for you. It does not have a recommendation in here, though.

MR. PENNOYER: Okay.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I'm not sure I followed that comment.

Review. Specifically, which document are we to review?

MR. GILBERT: This is the discussion paper which was handed out this morning.

MR. COLE: All right. Thank you.

MR. GILBERT: That lays out the four different options, A through D and which principally deal with who the negotiating team is going to consist of.

MR. PENNOYER: Okay, so your proposal is that we continue working on this option paper and that you also would come with negotiation procedures and criteria to present to us at the same time at the next meeting?

MR. GILBERT: That's correct.

MR. PENNOYER: Is there any problem with that as an assignment?

MR. SANDOR: I don't have a problem with that but I would like to see this -- these options discussed with the Public Advisory Group.

MR. PENNOYER: Okay. Any objection?

DR. GIBBONS: Mr. Chair?

MR. PENNOYER: Dr. Gibbons.

DR. GIBBONS: I'm not quite sure -- we could probably send it out to the Public Advisory Group but I'm not sure how we

would handle it other than that, just through mail.

MR. PENNOYER: Will the Public Advisory Group be having a meeting before the March 10th meeting?

DR. GIBBONS: No.

MR. SANDOR: No?

MR. PENNOYER: Apparently not.

MR. SANDOR: Well...

MR. PENNOYER: We're reaching somewhat of an impasse. Commissioner Sandor.

MR. SANDOR: We heard this morning that the Public Advisory Group had invited, you know, direction from the trustees on such things as prioritization and, you know, some meaningful involvement and I wish we could schedule these meetings in a way in which we could involve them. They essentially told us this morning they'd like to help in identifying priorities and why wouldn't we want them to do that? Why we wouldn't want them to look at these options? You said there is no consensus among the Restoration Team about the options. Well, why not use the expertise in that Public Advisory Group?

MR. PENNOYER: Mr. Gilbert.

MR. GILBERT: Mr. Chairman, I might point out that at the last Public Advisory Group which was last week, we did present the same discussion which we've presented here today. The only exception was these four options. And I guess it was still a matter of some discussion. We didn't want to preempt the Trustee Council reviewing this before it went to the public in

this particular element. However, all of the tracts were reviewed -- the information on these tracts that Kim Sundberg presented was reviewed; all the information that Art Weiner put together was reviewed and discussed with the Public Advisory Group. And I think in our minds, these options, A through D, are really procedural issues. It really hinges on who does the negotiations and acquisitions. It shouldn't make any difference in terms of which properties were bought or which properties are important to be purchased. I mean it's really more procedural than substantive.

MR. PENNOYER: We need to come back at some point to discuss the March 10th meeting and what we expect to accomplish there and what we need to have done before we go to it. So, is it still understood that the group can be working on the negotiation option paper and the negotiation criteria and process for us to present something back at March 10th? Whether we decide after that we need to get at it some other way or decide not to have that meeting. It could be a decision we could reach later.

MR. SANDOR: I think we probably ought to consider whether or not we ought to have it at that time.

MR. PENNOYER: Okay, but does anybody object to the group working on these two things in the interim, whatever the interim is? Okay.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Which reminds me I was a little concerned, maybe some other trustees were, with the release of this work product of the habitat group before it came to the Trustee Council. I had a sense that...

MR. SANDOR: That's right.

MR. COLE: ...there was considerable flack generated as a result of that and articles in the newspaper maybe didn't present the material accurately. And I just wonder whether in the future we should think about the sequence of that type of material being made public. I don't know if anyone else has any thoughts on that, but I was slightly troubled by it .

MR. PENNOYER: Dr. Gibbons, were these notebooks passed out prior to the meeting?

DR. GIBBONS: Yes. It's my thought that -- the Trustee Council got it before the Public Advisory Group got it but it's my understanding that the Trustee Council wanted the review from the Public Advisory Group before this meeting. And that was the process laid out, that the Public Advisory Group would review material, then give the Trustee Council feedback or recommendations on products [sic] but if the Trustee Council wants to go a different approach, we'll, you know....

MR. PENNOYER: You're right, Dr. Gibbons. I think if we go back and check the minutes, we did request that the imminent threat presentation go to the PAG group and they'd be able to advise us similar to the way that Mr. Sandor is recommending it go to the next phase, go to them first before it comes to us, so

we need to be clear in our directions anyhow, to the...

MR. COLE; Commissioner Sandor has a question.

MR. PENNOYER: Commissioner Sandor.

MR. SANDOR: Mr. Chairman, I think these fundamental policies really need to be discussed with them. You know, I made my bias clear about believing that recreation and developments, lodges, cabins and fishing developments -- development activities is not being an imminent threat but that's where I'm coming from. That's not to say I couldn't be persuaded but I'm troubled by that characterization as an imminent threat. I'm not really -- wonder if the Public Advisory Group reached a consensus that it was, in fact, a threat and was closely linked to restoration of damaged resources and services and then on these things like these options, I think on those policy questions, we need their counsel. That's all I'm trying to say.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: What did the Public Advisory Group recommend to us when they were presented with this data or information? I mean did they give us any recommendations following their last meeting?

MR. PENNOYER: I couldn't find one in the report this morning. It said that the landowners and timber owners should be involved earlier in the habitat protection process rather than later, but...

MR. WEINER: They were very clear on land exchanges.

They wanted us to look into the possibility of land...

DR GIBBONS: No, there was not a quorum at the meeting, so they could not vote on anything, and so it was a review session. Not a recommendation session.

MR. COLE: So, what are we left with? Zero? Is that the upshot of it all? I mean do we get anything in writing from them or is this just word of mouth?

DR. GIBBONS: There's a report that's laying in front of you there from the February 10th Public Advisory Group meeting.

MR. PENNOYER: They didn't go through and pick parcels or options?

DR. GIBBONS: No, they didn't go through and pick parcels. The presentation was basically the same one here minus the policy issue questions about who negotiates and the recommendation was to contact the public -- I mean the landowner and if I can paraphrase it, they said, yeah, yesterday would have been not soon enough. So, that was their recommendation. Get in touch with the landowners as quickly as possible.

MR. PENNOYER: Further comment or questions?

MS. RUTHERFORD: Mr. Chair.

MR. PENNOYER: Yes.

MS. RUTHERFORD: I think one of the things it's important to point out is that we didn't ask them to prioritize the parcels, because again, we're not really asking that of you. We're asking simply the ability to go out and begin discussions

and start the process with them, clarifying information and willingness to participate. In fact, if they would have prioritized parcels, that might have actually flown in the face of where we're intending to go, so...

MR. PENNOYER: Thank you. Any further discussion? Do you have any further items you need to present?

MR. GILBERT: The last item is number five that I presented earlier and that is receiving authorization to extend the analysis to all the lands in the spill-affected zone that much like what we've done here for imminent threat lands and opportunity lands. This would be work done by the habitat protection work group and there's no deadline for this. What we'd like to do is just get authorization to continue the work which we're already beginning to do.

MR. PENNOYER: Are you funded in some way for that? Is that -- what is the project status?

DR. GIBBONS: Mr. Chair, I think you've already authorized that through the letter that you said to send it to all landowners and then that will begin that process. That's the first step in that comprehensive process. I think the funding has been identified within the framework of the process.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: What would be the route of that analysis that you would propose to make? What would be the approach?

MR. WEINER: Basically -- I can take this one. We'd

start doing what we could with existing information. Almost exactly what we've done with the interim process. Collect all the resource agency documents, literature, damage assessment studies, anything that pertain to the resources that we believe might occur on those lands in terms of habitat. We'd take another look at, excuse me, the Nature Conservancy workshop information. That would be our starting point. Identify data gaps would probably emanate from that to determine whether or not we need to recommend to do additional work to harden up our data bases on those particular parcels. It will almost be a site-specific issue because in some cases, we probably will have better data than in other cases and we just have to take a look and see what we got and what we'd need.

MR. PENNOYER: Mr. Barton.

MR. BARTON: How would that, Art, then relate to the comprehensive process that we've been talking about and when will that be ready?

MR. WEINER: Well, that would be a major element of the comprehensive process is determining what kinds of information we can bring to the Trustee Council to help you make decisions on lands that we haven't already identified through the interim protection process.

MR. BARTON: And when will we have the comprehensive process in place so that we'll know what we're looking at?

MR. WEINER: I'd be reluctant to give you a real hard number -- a date on that but it will be a while.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: Mr. Chair, I thought that the comprehensive process would be part of the draft restoration team, that it was being rolled into that document.

MR. WEINER: The process, itself -- I mean the steps -- the hoops that we'd have to jump through, certainly would be but the actual analyses of the privately owned lands outside of interim threat is probably going to take a greater time than the spring to accomplish that.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: One follow-up question, Mr. Chair. Aren't some of the projects that were funded as part of the '93 work plan doing exactly that?

MR. WEINER: Some of them are, yes. Hopefully, they'll be funded through -- especially, things like the anadromous stream walks. That's one project that will provide us with information. That's correct.

MS. BERGMANN: So, I'm not quite sure what we're talking about in addition to what we've already funded for the '93 work plan in terms of getting this whole process started.

MR. WEINER: Well, the actual steps, just as we've laid them out to you, will be available to you by the time the draft restoration plan comes out. The kinds of analyses but actually to take all of the private lands, you know, that we haven't already analyzed and run them through this process, I couldn't tell you right now, how long that would take because we don't

know how many of these private lands we're going to have willing participants. If we don't get a great number of private landowners who are willing to participate in the process, and condemnation proceedings notwithstanding, we may be able to move through it rather quickly but if we have a large number of landowners or large parcels of lands -- I can't imagine we'll have a great number of landowners, it might take a while to conduct a thorough analysis and also to identify those data gaps and make recommendations for additional studies for the '94 work plan.

MR. PENNOYER: Further questions?

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I think I remain troubled as Ms. Bergmann is, perhaps others, about the fundamental approach that we're taking here as we develop this information. I remain slightly troubled. But let me ask this, for example. Are we talking about tourism and the value of some of these lands for prospective tourism?

MR. WEINER: We would identify any of these lands in terms of whether or not that particular service occurs in that parcel or on that parcel or that parcel affects tourism, yes. And that would be a judgment on our part.

MR. COLE: Let me pursue it just a little more. I mean -- oh, I continue to be struck, as I will for the remainder of my life, as I drive through Snoqualmie Pass, you know, and I see,

you know, these magnificent slopes and rocks and circs (ph) and all this stuff and slashed on each side from road to the highest mountain top is this clear cut. And I, for the life of me, I will never understand who in the Department of Agriculture, shall I say, you know, approved that. 20,000 cars a day go through there, you know. And I suspect for the rest of my life as I go through there, it will remain as unsightly as it is today.

But so, as I think about that, I think about these tour ships that cruise the Sound and, you know, I say is part of this analysis going to be are we going to look at are we cutting these slopes that where these tour vessels and these people go through there and allowing -- considering cutting the back sides where there's no view, easements or whatever you want to call them involved? I mean that's what I'm talking about. Really a broad look at these lands in the Sound and that's what continues to trouble me as we work through this process. Are we taking a fundamentally broad look at it and are we looking from the eastern Sound to the western Sound and down, you know, towards the Kodiak area and that's what concerns me as we go through this process. That's what I would like to see done. A broad look at the whole land pattern picture. That does not mean to say that I think we can buy all those lands, but as we evaluate all those lands, then we take the big picture as we get it eventually put together and then we make the hard decisions, you know, you make the cut and you don't. That's what I sort of say as I say, are we taking a broad look and then I talk to people who say, Look --

people at the university and people at the symposium who say one of the troubles with the approach of the Trustee Council so far has been too narrow an approach towards the scientific studies and that we should look more broadly at an ecosystem approach to what we're doing here in the restoration and I mean I don't have the answers to that, to those ideas, but that's what I think we should be addressing. Do I get your vote, Commissioner?

MR. SANDOR: Completely.

MR. COLE: Thank you. At least two of us agree.

MR. PENNOYER: (Indiscernible - unclear)

MR. COLE: Well, whatever. Thanks.

MR. PENNOYER: Any further comments? Do you gentlemen have anything further to offer?

MR. WEINER: (Inaudible negative response.)

MR. SUNDBERG: (Inaudible negative response.)

MR. GILBERT: (Inaudible negative response.)

MR. PETRICH: I really apologize because I know that public comment comes at the end of the day, but in Seal Bay which is an area where Kodiak is highly concerned, there's an area that's listed on there as being clear cut which isn't and that's Unit 619. It 's right in the salt water. It's right in an area which was reviewed by DNR as a scenic and heritage site and winter operations stopped that particular (indiscernible - cough). It's right next to the lodge there which draws international guests. It's kind of a special situation.

MR. PENNOYER: Well, I think we are going to take

public comment during the public comment period but I think the solution here was to go back out and quiz landowners and let them comment on their willingness to enter these negotiations and also, presumably, to provide us any information they have so that will occur and I think you can go talk to the folks right here on something specific.

MR. PETRICH: Sir, would there be any mechanism for negotiating immediately because the landholders are willing sellers and they've got good information about price and things like that.

MR. PENNOYER: Well, the discussion, the decision here was not to do that. The decision here was to go back out, quiz landowners, proceed with our options, looking at the process and procedures we're going to work with and come back at the March 10th meeting and deal further with it. We had not made the decision to start negotiations at this meeting.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Of course, there remains proposed legislation in the current Legislature to expend the 50 million dollar fund which the State received from the Exxon criminal settlement. It may be that that particular parcel, the one you mentioned, could be considered as part of that legislation.

MR. PETRICH: Thank you.

MR. PENNOYER: Mr. Sandor, you had a comment? Ms. Bergmann.

MS. BERGMANN: Mr. Chair, I have a point of clarification. I'm not quite sure what's happened with the request on number five and I don't think we've approved -- given the Restoration Team approval to complete this task. Is that correct?

MR. PENNOYER: Do I have a motion to that effect to make it clearer? Do you move that we approve item five?

MS. BERGMANN: I guess I have a couple of comments and maybe a concern about it. We feel real comfortable with going out, sending out the letters that we talked about this morning to all of the people in the area, all of the different landowners to see whether or not they would be willing participants in this process and with having the negotiation acquisition guidelines be developed for action at the next meeting and for the Trustee Council to make sure that they're prepared to hopefully select a negotiating option at the next meeting. We also feel comfortable with the projects that have been approved for 1993 as part of that work plan to provide funding to go get additional data for lands that might be part of the process, but when I look at the wording of number five, when it says "with the approval of the Trustee Council, the habitat protection work group, on behalf of the Restoration Team, would begin the comprehensive habitat protection process," that bothers me because the comprehensive -- my understanding is that the comprehensive habitat protection process will be part of the restoration plan and we want to make sure that we aren't out front beginning a process which will be

part of the plan and will be part of the draft environmental impact statement and the public comments associated with that, so I don't feel comfortable with the specific language that's used here. I do feel comfortable with all of the other things that I mentioned previously and I think those are all important steps forward, but in terms of doing a blanket approval for beginning this comprehensive process, I do have some concerns about that.

MR. BRODERSEN: Mr. Chairman?

MR. PENNOYER: Do you want to comment? Mark.

MR. BRODERSEN: I'd like to comment if I might.

What's intended here by saying to get on with the comprehensive process is to do the same thing for all the other lands that's done here. It's a data gathering project. It's a ranking project. I would assume that that would come in under part of the restoration plan but we don't want to wait until the restoration plan's in place to this kind of analysis on those lands. You make a determination of what you pick up in terms of your marginal elements, once you have the restoration plan but I would be willing to argue that for the ones that would bubble to the surface, you should get on with acquiring some of those now, such as the opportunity lands that have been identified here might be considered to be purchased at this time or protected. Let's not say purchased because that's foreclosing other options that we could do for protection on that, but the comprehensive process envisioned is to extend analysis as is done in the 22 parcels here to the rest of the spill area and that's what meant

by that.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: Again, Mr. Chair, it's my understanding that the funds to gather that kind of information are included in the 1993 work plan work elements. Art's shaking his head yes and you're shaking your head...

MR. WEINER: Well, I understand -- I see the confusion here. There's the process which we will have in place for the draft restoration. Whether or not the analysis of the lands by that process will be completed by that time, I think, is still an open question. We don't know whether or not we'll have enough information in hand to give you a reasonable assessment of what's on those parcels by the time the draft restoration plan is ready to go to the public, but we certainly will have a process in place.

MR. PENNOYER: Mr. Barton.

MR. BARTON: The comprehensive habitat protection process as referenced in five, is that part of the restoration plan?

MR. WEINER: Should be, yes, sir.

MR. BARTON: Is it?

MR. WEINER: Yes.

MR. BARTON: Then we've not yet settled on it?

MR. WEINER: No. No, we haven't written that part of the plan, no, sir.

MR. BARTON: And in fact, we would not settle on it

really until the record of decision?

MR. WEINER: (Inaudible positive response.)

MR. BARTON: So, I wonder if we don't have a NEPA process problem at the very least? Is that true or not?

MR. PENNOYER: Ms. Rutherford.

MS. RUTHERFORD: We sent out the restoration framework supplement which had both an interim -- the imminent threat process and the comprehensive process for public review. It is our intent to take seriously the comments received both from the Trustee Council and from the public on that process and improve, to some degree, the process that's been laid out in the restoration plan. But certainly, there's some significant similarities. I mean we were just trying to refine it and to clarify it a bit.

MR. PENNOYER: Mr. Barton.

MR. BARTON: And at what point then would the Trustee Council adopt a comprehensive habitat protection process?

MS. RUTHERFORD: It is one of the -- when you get -- when the final draft restoration plan goes out, one of the options in that is the comprehensive habitat protection process and you would review it as you would all the options in the draft restoration plan.

MR. BARTON: Well, is it then approved as part of the plan or is approved separately?

MS. RUTHERFORD: I think the way that I had foreseen it is the final process would be approved as part of the plan. We

are in the interim working on the supplement that you folks said go forward and proceed with until such time as the restoration plan is in place.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole, go ahead.

MR. COLE: It seems to me that we should be ahead of the restoration plan in this area because of the length of time it takes to acquire this information. If we wait until the restoration plan is adopted and then go out and start acquiring this information, we'll be another year behind and I think that is of concern to, at least some members if not all the members of the Trustee Council, that the restoration plan will not be adopted until next November or December or January or whatever. And I think that therefore, it's vital that we have as much of this information available, you might say, to plug in or jump start the restoration plan once it's adopted. Otherwise, we'll be -- you know, certainly, I won't be around this long, I can guarantee and '95 before we get down to doing something and we just can't wait that long. That's my view. We should get going. Now, could I ask one thing? How is the DNR? Are we having good cooperation with DNR with respect to the preparation of this information for us?

MR. PENNOYER: I believe the representative of DNR would say it's being cooperative but I'm not sure...

MR. COLE: Is such the case?

MS. RUTHERFORD: Do you want attempt that?

MR. COLE: No, I mean is somebody from DNR here who can -- do they have sufficient funding for this?

MS. RUTHERFORD: There have been -- I think the geographic information system projects do provide adequate funding.

MR. COLE: Okay, that's fine. That's good. And they have sufficient funds, do they?

MS. RUTHERFORD: Yes.

MR. COLE: To provide the Trustee Council with this information?

MS. RUTHERFORD: So far, so good.

MR. COLE: All right. Thank you.

MR. PENNOYER: Before we go further with this -- Mr. Barton, go ahead.

MR. BARTON: What I'm trying to establish is that this information is -- the preliminary -- primarily entails extending the analysis to all lands within the spill-affected area. What I'm trying to establish is that this information will be useful to us, regardless of which process that we ultimately settle on. Is that right?

MR. WEINER: Absolutely.

MR. PENNOYER: I think you confuse the issue by saying begin the comprehensive habitat and protection process. It sounds like you're beginning going out and buying and doing. What you're really starting is the process by acquiring the information we'll need later when we decide what the process

should be to acquire lands. If that's what you mean, I can't see that we have any real problem with this.

MR. SUNDBERG: I think the proper term is analysis.

MR. WEINER: Analysis.

MS. RUTHERFORD: Right. It says that.

MR. PENNOYER: Thank you. Do we have any problem then with item five, that is going out and starting to acquire the data we'll need when we get to the stage of defining what the process is going to be?

MR. BARTON: After that conversation, no.

MR. PENNOYER: I have one last concern I'd like to raise and this gentleman in the audience did raise the question. We agreed to send out letters to property owners and probably starting with the 22, we decided not to go out and ask specific question about, as Ms. Bergmann suggested, about updating the information we had. I guess we're sort of leaving that to the individuals bringing it in. I understand, Mr. Cole, your comment about somebody else considering this and maybe using some of this information but it still troubles me that there's information like that out there, regardless of who's picking it up, shouldn't we have it as well? And we decided not to ask the individual property owners to say, "Is the map right?" or "Is it wrong?" or "Is the information correct?" but obviously, there are people who want to correct our information, so is there some way we can indicate to folks that as we go out with this letter and the informational package we agreed to send out that we would

appreciate updates or changes or whatever?

MR. COLE: Are you asking me?

MR. PENNOYER: Well, you objected to the proposal by Ms Bergmann which was to do that in writing to go out and ask people if they had comments on upgrading the information presented in the package. That's the only reason I directed it to you.

MR. COLE: Well, Mr. Chairman, let me respond to that.

I wasn't objecting to that; I just thought that that would be part of the normal course of business is when these people responded, you know, you sit around a table and talk and say, well, what do you have in mind? Is the map right? You know, isn't that the way the process would work?

MR. PENNOYER: So, for clarification purposes, we are sending out the letter which inquires people whether they're interested in talking to us and the informational packet goes with it and they would be expected to comment then on problems with the packet?

MR. COLE: Of course. I think the answer is...

MR. SUNDBERG: The draft letter has a big bunch of blank spaces that says "Comments" on it and the landowners are being asked to put any comments he wants down on that letter, sending it back.

MR. PENNOYER: I think there were some concerned (indiscernible - cough) here that maybe we think asking that and I think Ms. Bergmann came away with that impression too, but I think it's clear that we are asking for comments on whether

you're willing and here's the information we have and do you see any problems with it?

MR. WEINER: I certainly think we want to leave the public with the perception that it's an open process, that more information only works to help us to make our decision and however we do that, I think that's going to be beneficial to the process. If somebody can come in and say your map is dead wrong; you need to correct it, we want to know that.

MR. PENNOYER: Okay. So, it is a question we're asking. Good. Ms. Bergmann.

MS. BERGMANN: One other point of clarification, Mr. Chair. It might be helpful to discuss just a minute what happens -- I'm assuming that we're sending this information out in writing. What happens if people want to respond back verbally and start getting into discussions? Are we only asking for their comments back in writing because we don't have a negotiating team in place that could -- you know, that's been approved by the council that could then take that next step forward? I think it might be useful to clarify that procedure.

MR. PENNOYER: Well, I thought we'd say we're going out and requesting information. That doesn't require negotiation. Simply, if somebody sees something wrong with the information we have, and they will respond to it. My presumption is the staff will not go up and argue with them and say, well then we don't want to talk to you anymore. They'd put the information into the catalog and we'd be provided that data.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I mean I think it's so simple or much simpler. Call 'em up. Say, you know, "We see you've -- "Are you interested in selling any of it?" I mean just get on the phone, if need be, you know, you could probably shortcut the whole thing. There must be 10 or 15. You could call one an hour. In two days you'd have most of it done instead of writing letters and waiting for, you know, return and the guy's not there. He's in Hawaii, someplace. Just you know, write down the answers and it seems to me that's the way I'd do it, but I'm a novice at bureaucracy.

MR. PENNOYER: You're doing just fine. Ms. Bergmann, are you satisfied with that?

MS. BERGMANN: Mr. Chair, well, I think the intent was as Marty Rutherford indicated earlier that the folks in realty who are experienced with these kind of processes will tell you that as soon as you start verbally discussing this with someone, you quickly get into a negotiating mode and because we haven't selected -- the Trustee Council hasn't selected a negotiating team option yet, that it would be much better and cleaner all the way around to send this request out in writing so that you don't have individuals getting into these kind of discussions and I think -- I certainly feel comfortable doing that in writing.

MR. PENNOYER: However, we will accept phone calls from people who say, oh, tract -- this blob should be over here

instead of over there.

MR. BRODERSEN: As long as they don't call collect.

MR. PENNOYER: That's right. Mr. Barton.

MR. BARTON: I think we're beating this to death. We agreed earlier to send the damned letter out. We can also call. We can fax. We could send messengers. Why don't we just get on with it and get off the discussion? If people want to give us information, they'll give it to us. We can ask them for it in the follow-ups to the letters with the phone calls or whatever, but I just -- I'm not sure what we're accomplishing at this point.

MR. COLE: I'll make a motion to that effect.

MR. BARTON: Second.

MR. PENNOYER: Is there any objection to the motion? And I won't restate it. Okay, can we go on then? Gentlemen, do you have anything else to offer or is that enough?

MR. GILBERT: No, we don't.

MR. PENNOYER: You've had enough; we'll go on. The next item on the agenda, Dr. Gibbons, is "Restoration Summary Table and Alternatives" with John Strand.

DR. GIBBONS: Yes, we're going to have a presentation by -- I think Bob Loeffler and John Strand on the restoration summary table -- injury summary table and the alternatives and the status of the work in regard to the two items. I stand corrected already. Carol Gorbics is going to help them out. Three persons.

MR. STRAND: David, now that you've introduced Carol and Bob, I don't have to do that. I've asked Carol and Bob to make the key presentations today on this segment of the program. Before I do that, I wanted to try to set the stage a little bit. In the packets of information that you should have received sometime around the 10th of February -- I think they went out under David Gibbons' signature -- there is a draft set of tables that summarize the results of injury assessment studies. There's also a draft set of tables that pertain to the alternatives. This information is really only preliminary. We expect that the details, the format, the wording might change as we produce further iterations of this material, but conceptually, we hope we're closer to the mark and also, I hope that a sufficient amount of text accompanied these tables in the packet that would then have allowed you to begin to develop an understanding of what we're driving at.

This information, along with additional amount of text, will be what is in the alternatives information package that we hope to have sent out, published in late March. And this subsequently then gets wrapped up into the draft restoration plan which goes out in June.

If you remember back to the detailed outline that we presented you a couple of meetings ago, Chapter three in the draft restoration plan includes the discussion of injury and the summarization of the studies that we've done to date and those first set of tables are part and parcel to Chapter three. And

the alternatives tables go into Chapter five if you remember back to that detailed outline that we presented to you. The tables were prepared by the members of the restoration planning work group. They have been reviewed, at least preliminarily, by the Restoration Team and the chief scientist was intimately involved in the drafting of the results of the injury assessment studies tables and he's also reviewed that after they have been massaged.

We would like your comment on these products. They are part of the key elements to the draft restoration plan. Ultimately, we would like your concurrence that we are on the right track and short of concurrence, we would want your guidance for how to make the interim products better or how they might be revised. And those are the substance of my introductory remarks. I'd like to begin the presentations and ask Carol Gorbics to take you through the results of the injury assessment work that culminated in the development of the tables before you. Carol.

MS. GORBICS: Thanks, John. My name is Carol Gorbics and I'm a biologist with the Fish and Wildlife Service. I'm one of the representatives to the Department of Interior on the interagency RPWG and I've been working with RPWG, the RT and the chief scientist on the development of this summary table. The Trustee Council, I think, the table starts on page three of your packet and the public has a document that was provided that looks like this. It was provided on the back table and that's what I'm pretty much going to be talking from.

As John pointed out, this table was developed by all

the agencies involved and the chief scientist. It's a summary of all the results of the damage assessment and restoration studies that have been done since '89, since the spill and it is current as of right now and we anticipate that it will change as time goes on and it represents a snapshot in time. And that's an important concept to have here.

I'm not going to go through every species and tell you what we decided, but I did want to walk you through the table itself, how it's put together and some of the complexities that we've left in that I want you to understand. First, we took every species that we studied or we had reason to suspect was injured by the spill and we included them in the table. We then described the injury under the first three categories, description of oil spill injury. We looked at that by looking at the initial oil spill mortality, the measured decline in the population after the spill and the sublethal or chronic effects. This was the injury so this is what we found in '89 essentially. It's what happened right after the spill and how can we characterize it as terms of yes's and no's, as answers to these questions.

Then we wanted to look at the status of recovery again in December of '92. That's the next two sets of columns here. We looked at the current population status. Current either meant as a result of the '92 studies, if we had studies in that year, or the 1991 studies depending on what year we last looked at the species and evidence of continuing sublethal or chronic effects.

Those were the two characters that we looked at to describe recovery. Then we went back to the geographic extent of injury. We thought that was important. Mr. Sandor pointed out some questions on the geography of injury that this hopefully will clarify. We broke it into four general regions and the restoration plan will have a map that describes exactly what we mean by these regions. We want to be very clear on that. And the last section is the comments and discussion section. And that is the summary of the high points of the injury assessment results. This will be accompanied by a quite lengthy, probably, text and restoration plan that really describes those results. If you had a chance to participate in the symposium, you know there's a lot of data out there. This is a thumbnail sketch of what we found out so although it stands alone, it's correct, we do anticipate that the accompanying text will have a more complete analysis and discussion of the data.

There are several important footnotes that I wanted to talk about so you understand the assumptions we used. Actually, I should probably have the whole thing in there. The first two that I wanted to talk about are (a) and (e) and they go back to the question of geographic extent of injury. (A) points out that although we might have a yes in any one of those columns, there may have been an unequal distribution of injury within each region. That was an important concept for people to understand.

Again, severity of injury. Just because it occurred in Prince William Sound and Kenai, we may know that it was much more severe

in Prince William Sound. And (e), the footnote (e) on the same point is often we had no injury assessment studies and this table will reflect the recovery of dead animals from that area of the spill zone. Using harbor seals as an example, we had a NRDA study on harbor seals so we have a yes in Prince William Sound. That's where the NRDA damage assessment study was done. In Kenai, we also have a yes there. We did not have a NRDA study; we had dead animals picked up from that area so we believe there were injuries to harbor seals in Kenai and we have no information on Kodiak and the Alaska Peninsula. And that's sort of how this table is set up.

The next footnote that I want to mention is footnote (c) and it refers to this column under injury, evidence of sublethal or chronic effects. We had a lot of discussion on this one. Many people felt that we needed some capture of exposure. If an animal was oiled, it should show up in this category. The chief scientist and the agency scientist looked at this at length and we decided that sublethal exposure, we wanted to define it specifically as an observed physiological or behavioral change in the injured species. So, if someone says, well, I saw an oiled killer whale and we don't have yes in that column, it's because we didn't observe any behavioral or physiological changes as a result of that exposure.

And the last footnote is (g) that I wanted to talk about and that -- if you see under killer whales is an example of where we used "possibly." We didn't have a yes or a no for the

answer to some of these questions. "Possibly" was used if there was disagreement over the conclusions to be drawn from the results of the damage assessment studies. I'll remind you that this is a table that we expect to change over time. One of the areas that we expect change is in these possibly's. As we find more information, we hope to clarify those categories particularly. Before I go on, are there any questions on this part?

MR. BARTON: Yes. Are sublethal effects the same thing as chronic effects or are those two different things?

MS. GORBICS: Chronic is a time-related thing. If we continue to show effects. Generally, that category, we're showing sublethal effects over time. So, they're pretty linked. They don't cause death but they show up as a change in some metabolic feature or some physiological feature or something like that.

MR. BARTON: Two different tests then?

MS. GORBICS: I don't know how quite to answer that, I guess. I can't think of an example where we have sublethal effects that aren't chronic. Can anybody else? Or vice versa.

MR. STRAND: No, I think that for our assumption here, I think that there is linkage because if there were lingering effect, it would most likely be associated with, you know, a chronic exposure. Some scientists use them differently. Sublethal effects could also be associated with a one-time insult. Carol was right in saying that chronic is more time-

linked. I think here it's an either/or. I think that you can have chronic effect, you can have a sublethal effect that's linked to the one-time insult of acute exposure to oil.

MS. GORBICS: We do try to capture the time element through the description of oil spill, evidence of sublethal or chronic effects in '89 and continuing in '92. That would, in fact, be evidence of a chronic effect if it continues through '92.

MR. ROSIER: Mr. Chairman?

MR. PENNOYER: Yes, Commissioner Rosier.

MR. ROSIER: Question. You said that this table was subject to change. If we're not funding projects associated with some of the species that have possibly there, where would that information come from?

MS. GORBICS: Those, probably are changes that wouldn't occur unless we, through additional data analysis and the finalizing of the reports -- all the final reports are undergoing additional peer review and chief scientists review so maybe we'll come to some conclusive answers then. It could be that those possibly will stay forever because we'll never have agreement.

MR. ROSIER: I notice that most of the fish species, for instance, have either got unknown or possibly associated with them and I think most of the fish programs have long since been terminated.

MS. GORBICS: Some of the fish programs, too, for

instance, herring -- John, correct me if I'm wrong, -- we've

got a possibly there now because our hypothesis is that the return may be affected in future years. It hasn't happened yet so possibly, it will happen. We don't know for a fact. That will change to yes if indeed our hypotheses are right.

MR. PENNOYER: Proceed.

MS. GORBICS: Before I move on to the next overhead, I wanted to point out these two columns: Measured Decline in the Population after the Spill and Evidence of Sublethal or Chronic Effects. Any resource that we determined to be injured has to have a yes in one of those two columns so that's the next subset of species I'm going to talk about. Those we've deemed to be injured.

This next table is on page 21 of the trustees' packet and the public didn't get this earlier in the day. I've put it on the back table, copies of it so you can pick it up later but it's a table that eventually will be in the restoration plan, we hope. This pulls out all the species that we have deemed to be injured as a result of the development of this table. So, this list -- these two lists together are those species that we will deal with -- we may deal with in the restoration plan. The reason we divided them into two categories, one being evidence of population level decline and the other being only evidence of sublethal or chronic effects but no population decline is to meet the needs of some of the scientists who have been reviewing this who feel very strongly that only those species injured at a population level should be considered in the restoration plan.

Others feel equally strongly that all injured species, whether it be at population level effect or a subpopulation level effect, chronic or sublethal effect, they should be considered in the restoration plan. So, we've developed these two lists showing severity of injury, if you will, to help develop the alternatives, showing both points of view in various alternatives.

I want to point out those species that have asterisks by them, those are the ones listed as possibly. Two things could happen with those. They could stay possibly --or actually, three things then. Or they could be moved to the population level effect column if we determine that in the future or if we determine there's no effect, they could be moved off the table altogether. So, those are the still unknown ones. The important thing about splitting it in this way, it does allow the range of alternatives that RPWG is developing to present both views. All injured resources on either of these lists are, at least, represented in one alternative. Many are addressed in multiple alternatives and again, this could reflect the severity of injury if we start to prioritize species amongst each other in the restoration plan. Any questions on this table?

I'm going to turn the rest of the discussion of the development of alternatives over to Bob Loeffler and I think he'll be referring back to some of these as well.

MR. STRAND: There's one other injury assessment summary table and that concerns services. And I think, Bob, you

were going to address that. That was included in the packet.

MR. LOEFFLER: There's a similar table to what Carol just went over that relates to services. And services are an equally important part of the restoration plan. The table, however, is not quite as well developed. So, the Restoration Team was concerned that it needed a sit and a little more review before it was released to the public.

MS. GORBICS: I believe that starts on page 15 of your packet.

MR. STRAND: Sixteen.

MS. GORBICS: Sixteen of your packet.

MR. STRAND: However, here are some distinctions worth pointing out. The first is that there is no unit of measure or agreed (ph) to a primary unit of measure like number of animals for services. So, the descriptions of injury and recovery are qualitative as opposed to quantitative for the most part. Second is that services, we've divided into the following categories: recreation and tourism being one category; sport and commercial fishing; subsistence, wilderness values and passive use values. And those are just for the purposes of the table. But that's all

I really have on the services table, just for you to note that it's there, that it is in not quite a complete stage of development and it's an important part of the plan.

The restoration plan is really three questions. It's was it injured by the spill? Is it recovering? And what, if anything, can we do about it? Carol went over the first two,

Was it injured and the status of recovery. The alternatives are the what, if anything, we can do about it. And they provide alternate ways of spending the civil settlement monies to restore -- to aid recovery. An alternative is three things. It's a set of policies; it's a category of options, things we can do that are the implications of those policies; and then there are the budget implications. So, I'd like to summarize where we are now. And I'll start with a summary of the alternatives and the policies.

UNIDENTIFIED VOICE: What page is that?

MR. LOEFFLER: It is on page 19 of your packet -- 19 or 20.

MS. GORBICS: Twenty.

MR. LOEFFLER: Twenty. Now, this is a summary of -- I'm going to just use part of your table here. This is a summary of the alternatives. I'm going to go through the budget implications and the options in a second, but before I do that, this is -- a few words. This is still evolving. That is, there will be some changes probably between now and over the next month. However, this is the direction that we're going, so what we need from you is two things. If there is -- if this does not reflect the range of public and agency opinion that you think we should take out to the public or it doesn't highlight some of the important policy questions, then we need to know that. That's our way of saying is our direction wrong. But there will be some slight changes. We're not asking for concurrence completely at

the moment.

The second point is that when we go out to the public, we expect people to mix and match. That is, people will not come and say, well, I like three but two, they'll say, "I like parts of one and parts of another." And so, what you come up with in the final plan, I expect, will be that. So, if you don't see the perfect alternative, it's probably not crucial that it's missing now. But with that, what I'd like to do is go over this, then talk about what options and then what some people think of the punch line, being the budget implications. I guess I can do this from here.

There are five alternatives, less than you saw the last time we presented it, and they are arranged from natural recovery where we do little other than monitoring and normal agency action, habitat protection only to three alternatives where there's sort of more active restoration from a limited version to a, if you will, more aggressive restoration. Now, to explain what those mean, I want to go through the policies. And the policies go across the row, so to speak.

And let me walk down through the four policy variables.

The first being injury. And that is there's a significant difference of opinion and a range of question in the people's and scientists' mind about whether we should address all injured resources or only those whose populations declined. That was the table that Carol put up just a moment ago, so I won't go through it any further but that refers really to resources.

The second policy question is should restoration cease when a species recovers? Now, that's not that important today because for the most part, species haven't recovered. I don't believe there are any in the table that Carol put up that have, but in a few years, species will. And so, the question is, should we stop our restoration efforts targeted toward that species once it's reached the place it would have been had not there been a spill. So, that's what this question covers.

The third is effectiveness and that sorts of gets at sort of a gut level question of at what level is it not -- of effectiveness is it not worth spending money. This might help a species or it might help a service, but it's not a big help. And to get at that, we've divided through a peer review interview process where we interviewed the agency and peer review scientists, we divided the options, the things we can do, into two categories. One category we called highly effective and another category we just called effective. If it wasn't effective, we just said, well, it won't help much. We'll drop it out. But in some alternatives, we do only the highly effective things. So, in alternative three, for example, we focus only on things that a population decline and only the most effective things. And this is a way of getting at that policy question.

The last policy question is focused entirely on services. Just as a reminder, the first two were really resources, effectiveness works for both but the last focus is entirely on services and because there is no unit of measure,

what we did is we categorized options into sort of a category, if you will, increasing aggressiveness about restoring and enhancing -- increasing opportunities for human use.

There are different strategies for increasing public use. In natural recovery, of course, it's normal agency monitoring is all and agency management. In alternative two, which is the habitat protection alternative, habitat protection is one way of protecting our existing public use. In alternative three where we sort of go out and sort of take a more active approach, although alternative three is still limited, we look at protecting existing uses. And so, examples of that are things that aren't designed to increase or change use patterns but protect what existed before the spill. It gets at what we hear a lot of people are saying in interviews and public comment.

An example might be funding state or federal agencies to construct recreational facilities to protect the environment such as outhouses in overused areas, et cetera. As we sort of move across, we get into sort of things that protect or increase. Examples being funding to increase sport or commercial fishing runs, to construct recreation facilities such as public use cabins or in the sort of the most aggressive of this, we go out and encourage new uses. Examples might be visitor centers, new fishing runs, commercial facilities. But those are the policies and when you put them together, you get the alternatives which people -- we expect to mix and match from. And you get what is more of a pure habitat protection to sort of the fiscally

conservative alternative, someone who says just look at the most injured, the population injuries that aren't recovered, do only the best things and don't take an aggressive approach to services to alternative five where you look at all injured resources, sublethal and the population levels. You continue whether or not they're recovered, do anything that's effective and you take a more aggressive approach in terms of encouraging new uses. So, that's designed to get at the policy questions.

The next two things I'm going to talk about is what options fall under here very briefly. And then I'm going to get to the budget categories. The options which fall under each alternative are those that comply with these policy questions. So, under habitat protection, you only see land purchase or purchase of interest in lands. As you get into alternative three, you get -- you get options which affect the population level injury, et cetera. In your packet there are tables which have options for each alternative. Those were not passed out to the Public Advisory Group because the Restoration Team wanted to focus on them and the restoration planning working group wanted to focus on them a little further before they thought they were ready to go to the public. But we're closing in -- this is basically what we'd expect. With that, I'm ready to talk about budget.

We did a cost estimate for each of the options and categorized them into five categories. And I'm going to put the most boring alternative first and that is, the no-action...

MS. GORBICS: This is page 23.

MR. LOEFFLER: ...the natural recovery. This is page 23 of your packet. It's the natural recovery alternative. And as you can see, with limited administration, and continued monitoring, the rest remains. Now, this, in EIS lexicon, would be the no-action alternative. As you can imagine, there's not an uncommitted balance as you get further on. Going to the habitat protection alternative, this is a relatively pure habitat protection. And this is on page -- do you know which page?

MS. GORBICS: 28.

MR. LOEFFLER: Oh, thank you. It's on page 28. This would be the next -- this is a relatively pure habitat protection alternative and you can see that because it allocates 91 percent of the remaining money to habitat protection. Now, a note at the moment is that we're talking about the remaining money. This is not 91 percent of the entire settlement, but 91 percent of the amount that's left.

I'm going to skip right to alternative five to show you -- and then I'll show you a comparison rather than going through each one. Page 48. In alternative five, we have some different categories. We have habitat protection which continues to have a large share, 45 percent of the remaining settlement funds. We have administration, a monitoring program. Let me talk about other restoration and restoration reserve. Other restoration is what most people think of when they think of restoration. It is all the options of the projects. It's really everything but

habitat protection. Things like fisheries management plans, testing subsistence foods, fertilizing lakes, increase sockeye production, recreation facilities. That's what other restoration is.

A reserve is just that. It's a reserve for categories that are not yet identified for options. So, for example, we know that as we continue monitoring, people are going to bring up other things. People are going to learn more, have other good ideas. This is a reserve for that contingency. Now -- so with these categories in mind, this is the comparison. This is the range that we're considering going out to the public with. Let's look at sort of the range and...

MS. GORBICS: Page 51.

MR. LOEFFLER: This is page 51 of your packet. The range in habitat protection is from a relatively pure 90 percent of the remaining funds to where we do the most other things still have 45 percent of the remaining funds. In restoration projects that we've identified now that being that those are the actual go out and do things projects, our range is between zero in the pure habitat protection to only 22 percent. And we keep a reserve of almost the same size between 5 and 16 percent. And this is the range that are the implications of these alternatives. Now, knowing that people will mix and match, knowing that hopefully, we'll come up with something which hopefully everyone will say, oh, we really like some alternative, and we won't have to do anything, but it's not happened in my experience. The question

for you is whether you're comfortable with this range. I believe some of the details will change but I think this is the path we're on and if this does not represent what you think is significant agency and public opinion that you want us to go out with, that's something we should know. That's where we are with alternatives.

MR. STRAND: Questions and discussion?

MR. PENNOYER: Can you define what you need in terms of decision from the Trustee Council at this point? This is informational. I presume we're going to review this packet. You'd like our comments back then on...

MR. LOEFFLER: What we'd like to know is whether this is the range of information that you're comfortable with going out to the public. The final details that you will see in March and we're aiming for April public meetings but if you're not comfortable with this range, then we need to know that before March.

MR. COLE: Before when? I'm sorry.

MR. LOEFFLER: We'd like to know that as soon as possible.

MR. PENNOYER: Would you mind explaining the budget part a little bit further in terms of how you would get someplace like moderate restoration, where those percentages came from? I note in the text there's a large number of projects shown with annual costs listed next to them and duration in years, expected total costs, ten-year maximum, lower and higher. How do you

arrive at those conclusions as to what's moderate, what's comprehensive in this list of projects?

MR. LOEFFLER: Okay. What those are -- I have to find my packet here.

MS. GORBICS: We gave it to Charlie.

MR. STRAND: We gave it to Mr. Cole.

MR. COLE: Does anybody have an extra?

MR. LOEFFLER: That's okay. I can use...

MR. STRAND: We've got this one here.

MR. LOEFFLER: I can look on with John. What you see, for example, taking page -- let's take alternative three. the list on page 32, each one of those projects has a cost. The sum of those costs, that is, each one of the projects that fall in -- under the policies of the alternative, each one of those projects has a cost and if you sum all the costs, you get the seven -- in alternative three, you get the 7 percent under other restoration. That's basically how you get that number. Administration and monitoring were separate budget estimates that you don't have but that takes you through the first three of the numbers. The last two are, in some sense, a residual. Habitat protection was -- we tried to make relatively even increments to establish the range that we thought the trustees were interested in showing to the public and the other restoration reserve is, in some sense, a residual in that amount. So, the cost estimates are the first three lines and the last two are policy decisions to give people a range.

MR. PENNOYER: Questions? Well, turn to page 43. Not to belabor it but you're asking for our -- in other words, what you're saying is the habitat protection sort of fell off the bottom, after you do everything else in those different alternatives? You didn't start with that and work back?

MR. LOEFFLER: I think we probably did it both ways, actually. We knew that we wanted a range approximately like this. But -- so we did it both ways.

MR. PENNOYER: Okay, on page 43, for example, you have all sorts of projects there that are priced out. These are -- did you spend some time looking at things that people had projected would be required and then sort of added them up and figure out the number of years you want to fertilize this lake?

MR. LOEFFLER: Yes.

MR. PENNOYER: So, we added categories of projects to different alternatives?

MR. LOEFFLER: Let me do one -- the categories of projects are projects and they're categories that people have been coming up with since this process started a couple of years ago. They were first in the Blue Book in August of 1990. They were winnowed down and winnowed down further and what you see on page 43 which is the list of projects and cost on alternative four is those categories which comply with these policy judgments and the total sum of that list are the expected costs over the ten-year life of what we're calling settlement is this number right here. The ten percent. Okay?

MR. COLE: Mr. Barton has a question.

MR. PENNOYER: Mr. Barton.

MR. BARTON: Mr. Chairman. Could you put that back up there?

MR. LOEFFLER: Certainly.

MR. BARTON: Is there any merit in looking at four alternatives since habitat protection runs across all the alternatives as well and then people could respond if they want to take, instead of 7 percent in other restoration, they want to put 82 percent in in habitat protection and then you'd end up with four. Right now, it looks like we might end up with parts of two of those or parts of three of them. I just want it to be clear for the public.

MR. LOEFFLER: Certainly as a method to simplify it we'd be happy to look at going down to four alternatives. Dave has asked us to look at that and we're part way through that process and it's certainly something that we could do if you think it would simplify it for the public's understanding.

MR. BARTON: It looks like they're mutually exclusive at the moment.

MR. LOEFFLER: No, that's...

MR. BARTON: I know it's not so but it could be interpreted that way.

MR. LOEFFLER: If any of the other trustees have a perception whether this is -- whether additional simplification would be useful, we're happy to learn that.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I have a perception it's rather complicated, but I have two observations, essentially, at first blush. One is, it seems to me that this is a highly compartmentalized approach to restoration. By that, I mean we have -- you looked at page 43 -- do you have the format for page 43?

MR. LOEFFLER: I have it here. I don't have a -- I'm not sure I have a slide of it, unfortunately.

MR. COLE: Well, one of these slides that shows something similar to that where we have all these alternatives spread out over a number of years and a number of projects...

UNIDENTIFIED VOICE: Options.

MR. LOEFFLER: I don't have a slide of that...

MR. COLE: Well, here's one of the things that troubles me is that we have this list of projects, archaeology, sport fish, Pacific herring, pink salmon, rock fish, sockeye salmon and so forth that goes down the list to number 49 and then 50 and P1 and P2. First, I think that's highly compartmentalized and I'm not certain that the scientists and the peer reviewers would say that's the way we should approach the fundamental restoration plan in a series of -- I never counted these -- 50 or 40 specific projects. Some of these people tell me that we really need a more integrated restoration plan. And I think that if you look at this, that -- well, this sort of locks us in for ten years to deal with simply these almost specific projects, number one.

Does it do that? Seems to to me. Maybe I'm missing something.

MR. LOEFFLER: I would think that as this is clearly not an ecosystem approach. There are elements of that in it but it's clearly not and I think that as people come up with better projects, we wouldn't be locked into doing a particular option as people come up with better ones, but it is -- it does lock us -- it does indicate a compartmentalized approach.

MR. STRAND: Let me add one thing, Bob. Certainly the acquisition of habitat -- of protection of habitat does approach restoration from an ecosystem point of view but short of that, in our work with the peer review team, other scientists around the country, there isn't a lot of agreement as to how you approach restoration from an ecosystem point of view. There's not a lot of agreement as to even what an ecosystem is and therefore, then what to do about if the ecosystem is perturbed. But, you know, clearly where we've had -- where we know enough and that's the case with habitat protection, we are approaching where we can, healing the ecosystem as a whole, treating more than just one species at a time.

MR. COLE: Let me continue. It sort of tracks somewhat Mr. Barton's comments that did we let habitat just fall out at the bottom? There's some sense that if you look at the chart on page 43, that that's what we did. Maybe I don't understand this, but it seems that way.

MR. LOEFFLER: It is a residual that way.

MR. COLE: That's number one. Number two is that it

appears from this page 43, for an example, and I think there are other pages of similar information there that each of these projects will continue throughout the entire ten-year period. Maybe that's not...

MR. LOEFFLER: No, that -- under the duration, we have an estimated duration for each of the projects and many of them don't continue through ten years.

COURT REPORTER: Let me just change tapes.

(Off record: 2:38 p.m.)

(On record: 2:38 p.m.)

MR. COLE: ...see now the duration?

MS. GORBICS: The (E) is expected; the (L) is the lower range, and the (H) is the higher range. For instance, 1.2, site patrol and monitoring archeology...

MR. COLE: I got it. I got it. What data do we have to support those numbers?

MR. LOEFFLER: Those were the estimates of the agencies scientists.

MR. STRAND: And the peer review, established through a key inform (ph) interview process as well as we let a contract out that reviewed and synthesized the literature on recovery of disturbed ecosystems and in most cases, where we have estimates of recovery times for ecosystems, and aided versus unaided, those data also correlated quite well with what the peer review scientists had provided us so we then used that information to establish duration of implementation.

MR. COLE: It seems to me, Mr. Chairman, if we send this out as is, it gives the impression that the public could well conclude that this is all the projects we will have during the remainder of the term.

MS. GORBICS: One clarification and that's the other restoration reserve. That category is to capture restoration projects and these kinds of restoration projects over the long term that we haven't identified yet.

MR. COLE: Well, first, I'm not sure that (a) that's clear from looking at one of these charts...

MS. GORBICS: That's fair.

MR. COLE: ...or it would be clear to someone, number one and number two, even if you take alternative three, and four and five for that matter, it's a relatively small sum, say ten percent if you take the average of -- it's ten percent for any other projects during the remaining ten years other than these specific projects here, so I'm not -- I don't know. We'd have to maybe talk to the scientists and the peer reviewer, but I am just not certain that these projects are the projects that we want to lock onto to restore these injured resources for substantial periods of time. Maybe, with respect to certain injured resources, we would want another project to address the restoration. How do we deal with that here?

MR. STRAND: Well, let me first indicate that we did have the scientific experts, including the peer review team, work with us to identify which options most likely would be the most

effective in restoring this suite of injured species. The other point is that, you know, clearly as new information becomes available, the plan is intended -- has to be flexible enough to deal with that. In the chapter six which deals with implementation, we hope to lay out the opportunities for how this plan would be amended to include the new information, develop different ideas for restoration as they are needed. I don't know if that gets at your concept.

MR. COLE: One final comment. See, I'm not sure that the projects we voted for -- that I, for example, more specifically, voted for the 1993 work plan, I would want to vote again to do those same projects next year. I mean if I make my point clear. And this seems to give the impression that these are going to flow on through for the next some year -- some instances, ten years, four, two, three, five, five, five, ten, three, ten. You know, that's one of the things that concerns me.

MR. LOEFFLER: I think I know some ways that might help get at that. One is to format somewhat better and two is to make clear that these projects are current, today's versions of the implications of those policies. And that through the annual work plan, people will make the annual decisions and that this is not the -- if you would imagine the Soviets' ten-year model of planning where you make it now and then goes on. But these are ways to get people to understand the implications. And if it was formatted along those lines, would that get partially towards

your...

MR. COLE: I think so.

MR. LOEFFLER: Okay.

MR. PENNOYER: Mr. Barton.

MR. BARTON: I, too, am concerned about the flexibility that we build in or don't build in to the plan. Based on Bob's last comments and these are to be treated as examples?

MS. GORBICS: They're the best information we have right now, so I don't want to down play them too much but certainly, we expect them to evolve as time goes on. We spent a lot of time developing that list and winnowing out other ideas that aren't effective.

MR. BARTON: I think we need to look closely at whether we want to build these into the plan or not or use them as examples and means of communication with the public to help them understand these various alternatives. You know, we originally, as I recall, talked about the restoration plan being a broad, comprehensive framework and then the annual program of work would then determine the projects year by year that were necessary to implement the plan. The concern is that -- and this perhaps, the legal people should speak to but if we build this list in and then later find out we weren't as smart as we thought we were, what kind of problems does that create for us, both practically and procedurally?

MR STRAND: I would just go back to the point I make, that I made before, that the plan has to be flexible and provide

for change as better thinking, better information becomes available. I wanted to address one other point. There may not be, at first glance, a pretty good match -- take this list on page 43 and compare it to your '93 work plan. A lot of what you are proposing to do in '93 is monitoring, so it does come in under the monitoring program. A lot of it deals with monitoring natural recovery or efficacy of proposed restoration.

These are more restoration projects but of course, the monitoring component is here and a lot of what you have considered and approved for '93, in my view, is monitoring, not dealing yet with restoration. This, then, provides the opportunity to undertake any number of projects in the future and these are mostly restoration projects.

MR. COLE: Mr. Chairman, as usual, Mr. Barton expresses much better my concerns.

MR. PENNOYER: Do you have a slide showing this? The detail type of thing that you've got so the public can see it?

MR. STRAND: We didn't bring one with us.

MS. GORBICS: I can get one with if they're going to talk about it more.

MR. STRAND: We can get one real quickly.

MR. PENNOYER: You don't need to do it right now, but it is important at some point to make people aware of that and I think what you're sort of doing here is you're saying under a strategy of devoting this much like to habitat protection, this is the type -- the suite of things that you could do. In other

words, specific group or not, it's the type of thing that (indiscernible - unclear) you could do. You're trying to put in perspective what it means to put a certain amount of money into one strategy versus another. As you go up this list to make the strategies more comprehensive, you can do more things up in this body of projects but I would hesitate to think this is what we're going to be doing ten years now.

MR. LOEFFLER: I think that's accurate.

MR. PENNOYER: So, is that understood? Do we need to make that clearer then?

MR. LOEFFLER: I think the direction that we should go, you made it clear.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: Mr. Chair, I think I need to, at least, state what Interior's kind of historical position has been with respect to this. It's been our feeling that we need to, in fact, show within each of the alternatives what the particular actions that would be taken for each particular injured resource and service which this document does. We would actually -- our feeling is that this document needs to go a little farther and be more specific in terms of exactly what those options are and also, to show more clearly where those actions would take place and to show some priorities over the next ten-year period. So, I just offer that as another point of view.

MR. PENNOYER: Slightly the opposite end.

MS. BERGMANN: It is the opposite point of view, but it

is the historical position.

MR. PENNOYER: It may not be feasible at this state if you want to -- you're caught in the old 22 if you're going to put anything out at this time, you can't be that definitive. And if you're going to wait, then you haven't put out the road map and can't do an EIS.

MS. BERGMANN: Our concern is that we want the environmental impact statement to clearly show the differences between these alternatives and let the public clearly see what the different alternatives really mean and we believe that we need a fair amount of detail in order to do that.

MR. PENNOYER: Well, I think (indiscernible - unclear) we're not going to promise we're going to do project three on year five. I mean if you think -- your position is you think that we need to promise we're going to fertilize X Lake in 1998, we're probably going to be here for awhile.

MS. BERGMANN: We wouldn't -- we don't feel that you have to get that specific, but we do think that the information needs -- that the information presented is not specific enough and I realize that that's not necessarily the consensus of the remainder of the Trustee Council members, but I felt it was important to state that.

MR. PENNOYER: It is, particularly if one vote is going to come down along at some time and say we can't do it. Would Interior review this type of detail and come back with specific suggestions that we could deal with then in terms of why you

think this isn't specific enough or...

MS. BERGMANN: Interior did that already in comments back to the restoration planning work group.

MR. LOEFFLER: Actually, the comments were that it was not specific enough.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, suppose next year, after we do the 1993 work plan, we find out that the restoration just simply isn't working. Do we want to be so specific that -- does Interior says that we have to plow on through because we've got it in this document here on page 43 that it's supposed to go on four six years? I think not. We have to have the flexibility to deal with the information that we developed during the process. And that's why it should be less specific rather than more.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: Mr. Chair, we agree with that and we think it's very important in the restoration plan to provide a mechanism for making appropriate changes to that plan over time as additional information warrants.

DR. GIBBONS: Mr. Chair?

MR. PENNOYER: Dr. Gibbons.

DR. GIBBONS: I've got a question and maybe a point of clarification. Under the description of the options such as -- like 18.2, replace harvest opportunities. Are not there a bunch of projects underneath that? There's not just one? Doesn't that

help explain, perhaps, a little bit of clarification on what's in here.

MR. LOEFFLER: For the most part, these are categories of projects for which many projects are possible. Sometimes they are relatively specific.

MR. STRAND: It's to provide more broad guidance that allows, as you deal with annual work plans, to develop specific projects. The restoration plan provides the broader guidance and each of these sort of project categories -- or they're really option categories and you can then propose any number of projects under each of them and be in compliance with the provisions of the restoration plan. That is, on an annual basis. That, sort of conceptually, is how it works, I think.

MR. PENNOYER: Gentlemen, I haven't had time to compare these but for example, on page 43 on moderate restoration under 17.21, 17.22, you've got temporary predator control. Under full restoration, is it permanent predator control or what is the comparison?

MR. LOEFFLER: That temporary predator control is a project -- is an option specifically designed -- I'm not sure which one you're looking at -- by...

MR. PENNOYER: It's the same under comprehensive restoration...

MR. LOEFFLER: Right.

MR. PENNOYER: ...so, you have to look -- I guess what I'm getting at is you have to look at the categories of work that

are proposed and I presume that predator control probably drops out under limited restoration so what you're doing is you're picking up different categories of things you can do as you proceed through these alternatives, not picking up a specific project that you're promising to do for two, three, four or five or six years. You're picking up categories of things. It doesn't say we'll do it on these islands or under this circumstance of if we start it, we're going to continue it regardless. I'm not clear yet what Interior's view as to the specificity we would have to deal with under something like predator control.

MS. BERGMANN: Mr. Chair, I guess as an example, rather than say temporary predator control which could mean a lot of things. We feel like that doesn't really tell the public -- give the public enough information about what we really mean by that.

Are we talking about removing foxes? Are we talking about removing gulls or what, exactly, are we talking about, so we would be looking for a little bit more specificity there rather than just a broad category of temporary predator control.

MR. LOEFFLER: There was going to be more to the list than just the title. There is text that goes along with this. Much of which has been conveyed to the Restoration Team which provides more information.

MR. STRAND: And in the appendix if you remember there are the options descriptions. You know, I have to go back to that outline again that I presented a couple of months ago but

that's where you -- and the reader is referred to that appendix which has a detailed description of each restoration option.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: It seems to me yet that we're locking ourselves into specific projects which I am not sure we want to lock ourselves into. As one reflects upon just the last several months of activities, as I recall, we had some 400 proposed projects. And out of those proposed projects, the Restoration Team -- and I don't say this pejoratively but factually -- the Restoration Team composed of agency personnel and solely of agency personnel selected one through 62 or 65 projects. I personally, although not critical of that selection, still have an open mind to whether we should or should not have other projects out there. And we, as you will recall, had substantial public comment on that subject. And I just have a concern but I'm not saying my mind is other than open that maybe we need a broader look at projects for the restoration process, other than what we have now before us. That's one of the things that troubles me. I just think that before we get this far into this, we should open up the whole process and say does anybody else, peer reviewers, other scientists following the symposium here have other ideas on what we ought to be doing for the next year?

I just think that's something we ought to give a lot of thought.

MR. PENNOYER: Another question that follows along with

that is why -- how do you make the decision which category that

these things drop off between limited, moderate and (indiscernible - unclear). For example, I think fish passes and access are under comprehensive but they're not under moderate but fertilization is. Why is one more comprehensive than the other?

MR. LOEFFLER: The difference between moderate and comprehensive comes in, if you see the effectiveness -- there are three variables that are different. The first is effectiveness so those are that the peer reviewers and the agency scientists said were likely to be highly effective come in on alternative four, but anything they said was likely to be effective comes in alternative five. So some of them are there are in alternative five but not four because of the peer reviewers telling us that they would be effective in restoring species with service. The second is going down the strip (ph), public use. Some of them are really designed to open up new types of public use, provide new opportunities and those come in alternative five.

MR. PENNOYER: New alternatives are enhancement -- all enhancement items are basically in alternative five?

MR. LOEFFLER: No. The reason why we got away from using the word, enhancement, is because there are lots of things that people sort of naturally think of as an enhancement which protects existing use. For example, buying -- purchasing land could certainly enhance the qualities of recreation. So, we tried to get away from that word because things to -- you can imagine that in lots of places, a fish pass which Fish and Game would frequently call enhancement would be useful to increase the

existing sport fishing. So, enhancement makes its way through some of the other alternatives as well.

MR. PENNOYER: You got me off the track though. I couldn't figure out whether lake fertilization which is a somewhat chancy operation, depending on your background and research, was more a sure thing than a fish pass was.

MS. GORBICS: One of the analyses processes we went through -- process we went through with the peer reviewers was to ask them one, how many years will it shave off the recovery time if they could tell us that, we asked them that. And two, how certain were they of their answers. So, if they were very certain of their answers and it would definitely shave time off the recovery time, it was highly effective and if they were less certain, it was just effective. And that also is how you...

MR. PENNOYER: You had some guys who like to fertilize lakes and they don't like fish passes. I understand. It's a judgment call. Professional judgment.

MR. STRAND: May depend on which peer reviewers you work with that day.

MR. PENNOYER: I don't hear any resolution to the problem Interior seems to have with not getting very specific and Mr. Cole and others have expressed about the fact that getting very specific is somewhat misleading at this stage of the game, given the type of arguments we've had on every annual work plan so far that I've been involved with. So, you've tried to strike somewhat of a middle ground, I take it?

MR. STRAND: I think that's what we're hearing.

MR. PENNOYER: You tried to be fairly specific in the methods that the procedures that might be undertaken without necessarily getting terribly specific on individual projects and the type of things that would fall out as you go through these different alternatives.

MR. LOEFFLER: Yes, but I don't believe that we can resolve the split opinion on the Trustee Council if there is...

MR. PENNOYER: No, I wasn't asking you to. I was just saying that you tried to strike somewhat of a middle ground. It's a little more complex than some would like and a little less than others might like and I don't know what alternative we want to offer at this time. You need an answer on this question by when? You mentioned the text is going to be spelled out a little bit more elaborately, so you'll say predator control, you'll footnote, foxes, rats and gulls and some sort of a multiple choice question when you send it out but when do you need anything more specific than that? More specific comments than you've had here?

MR. LOEFFLER: If we're going out for public meetings in April, we will want...

MR. PENNOYER: I think that's open for discussion anyhow. I'm understanding -- talking about timing which maybe is the next thing we should talk about because there's been some discussion of not going out with anything until we go out with EIS and the restoration plan in June.

MR. STRAND: Before we get into maybe a discussion on timing, there's one other piece that we need to talk to you about today that deals with funding and...

MR. PENNOYER: How long is it going to take? I want to take a break here in a few minutes so can you complete that?

MR. STRAND: It would take about five minutes.

MR. PENNOYER: Okay. Could you go ahead and do that then?

MR. STRAND: Thank you.

MR. LOEFFLER: The last which we've heard a lot about is endowments. We're not ready to do this kind of presentation to you on endowments but we are considering them as part of the restoration plan and part of the alternatives. So, we would have a parallel set of pie charts, if you would, one for alternative two and one indicating how endowments would influence that pie chart. And the kinds of endowments we're looking at -- to give people an idea of the range -- are research endowments which would be sort of a fixed amount, sort of a more comprehensive endowment. You will see a further presentation on this. I would like to get a couple of facts out to get people thinking in the right range of what an endowment will do. And so, here they are.

If you imagine that an endowment is inflation-proof then taking the Permanent Fund projection of real rate of return, they projected that we will get about 3.6 percent through 1977 [sic] and 3 percent thereafter. That's their target.

MS. GORBICS: 1997.

MR. LOEFFLER: 1997. Sorry.

MR. PENNOYER: How much thereafter?

MR. LOEFFLER: Three percent as a real rate of return, not including inflation, so if you inflation proof an endowment, you get about three million dollars in inflation-proof spending for every 100 million you put in in principal forever. If you wanted to put the whole thing in an endowment, we don't have -- then you'd have to spend a little more than the inflation-proof spending would allow you in the early years because we don't really have principal yet so if you wanted constant spending from now through forever, you'd put it all in, using the Permanent Fund projections of real rate of return and using Alaska Department of Revenue projections of inflation, you get between 13 and 14 million dollars a year forever, inflation-proofed.

MR. PENNOYER: Thank you.

MR. LOEFFLER: And that's really all that we have ready on endowments.

MR. PENNOYER: I think the next item on our agenda is the timing question. Answers are needed. Can we take about a ten-minute break before we do that?

(Off record: 3:04 p.m.)

(On record: 3:20 p.m.)

MR. PENNOYER: Could we go ahead and get started again, please? The last item, I believe, on the "Restoration Summary Table and Alternatives" was some discussion of timing. I don't know if we need to have that now, but Mr. Barton, you wrote a

letter on that. Would you care to take that topic?

MR. BARTON: Yes, I'd be pleased to do that, Mr. Chairman.

MR. PENNOYER: Thank you.

MR. BARTON: I would say this before I deal with the subject of the letter. Apparently the most significant thing we could do to assist the timing of this project is to decide on how many alternatives we want because the process cannot go forward until we do that. I don't know whether you want to do it here today or sometime in the very near future but that's essential to the EIS process.

MR. PENNOYER: I don't care. What's your pleasure?

MR. BARTON: I move that we go for four alternatives.

UNIDENTIFIED VOICE: Second.

MR. PENNOYER: Would you mind explaining your motion as to what the four alternatives would be?

MR. BARTON: I would -- if you'd refer to page 20 of the handout, that might be the best thing. That's this table.

MR. PENNOYER: Page 20 of the handout, List of Alternatives.

MR. BARTON: I would suggest that we go with four alternatives and instead of making a column of habitat protection, make a row out of habitat protection across four alternatives.

MR. PENNOYER: In other words, habitat protection will not be a stand-alone alternative?

MR. BARTON: Correct. It would be a part of all the alternatives or could be a part of all the alternatives.

MR. PENNOYER: Could I get some comment from the Restoration Team on what type of change this is going to be in terms of complexity? We certainly don't want to hold the process up longer so could you comment on what that does in terms of your process?

MR. BRODERSEN: Mr. Chairman?

MR. PENNOYER: Mr. Brodersen.

MR. BRODERSEN: Actually, another alternative proposal to throw at you, perhaps, would be to eliminate alternative four, leave habitat protection alternative two in there as an alternative and that would still get you down to the four that you're requesting and it still keeps the broad range -- a broad, broad range that we're looking for in the alternatives.

MR. PENNOYER: Mr. Brodersen, is habitat protection a row -- isn't it a column up and down? Can it be a road across? The row across are the strategies, basically, injuries addressed, status of resource recovery, effectiveness of restoration actions and strategies for public use. If you made habitat protection a row across there, that would be different than the others, would it not?

MR. BRODERSEN: Yes, it would and it cuts out, if you will, part of your range of alternatives that you have by doing so and if you go and look at removing alternative four instead, it maintains its full range of the alternatives and it does get

you down to one less alternative at that point. As Bob mentioned earlier in RPWG at our request has been looking at this extensively since the package went to you. Basically, the package had to come to you ten days before, so we cut off where we were but we continued to work on some of these questions we knew that the Trustee Council had and RPWG has spent quite a bit of time looking at the possibility of removing alternative four but still maintaining the range of alternatives. And removing -- or putting habitat in a row rather than a column is not really a variable so much as it is an alternative and so we can do whatever you request but I would suggest the other one instead.

MR. PENNOYER: As an alternative you spend varying amounts of money on it?

MR. BRODERSEN: Yeah.

MR. PENNOYER: So, it is a row when you get down to the budget but it's an actual column when you're dealing with the strategies.

MR. BRODERSEN: We can do it the other way. I'm just not sure it maintains the suite of options -- or the -- I'm losing my jargon here. It doesn't maintain the range of alternatives that you have if you take out habitat protection as one item and what we're really trying to get across here is that there is a trade-off. The more habitat protection you do, the less restoration -- direct restoration you can do and that's quite evident as you go from two through five or you could make it going two, three, five, whatever, across there, you can see

quite clearly that and another item that you all might want to discuss is that even under our most comprehensive restoration alternative, we're still showing 45 percent in habitat protection. There were several people at the PAG meeting that said that number should be much lower for the range. That, as we've shown it, it wouldn't keep the public from coming back and commenting that it should be less. It's just that it wouldn't be within the original range that the Trustee Council put out for public comment.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, I first move that we eliminate alternative number one, natural recovery. And that seems to be not a feasible alternative at all. So, we should eliminate that, should we not?

MR. PENNOYER: Well, could I ask for a clarification? The implication is that you do nothing for natural recovery. Natural recovery is an option for certain resources. So, by listing it as an alternative, are you saying that alternative advantage (ph) that people would say, don't do anything?

MR. BRODERSEN: This the NEPA no-action alternative.

MR. PENNOYER: Okay. Thank you.

MR. BRODERSEN: You do normal agency actions. No action is not quite correct. You're doing normal agency action.

MR. PENNOYER: No restoration action....

MR. BRODERSEN: Right.

MR. PENNOYER: ...other than natural.

MR. BRODERSEN: My understanding is that you need this one for NEPA compliance.

MR. PENNOYER: There's a motion on the floor. is there further discussion? Mr. Rosier.

MR. ROSIER: Thank you, Mr. Chairman. I had -- I'm not sure what Mike has proposed here with the habitat protection, but I would certainly object to alternative four coming out, if any alternative came out, I would certainly move for alternative three coming out. It seems to me that three and four are so close together and yet, the provisions in there on population damage, I think, is the portion of it that I object to the most in alternative three. And as I mentioned before, I think we've got a lot of fishery resources that under that particular alternative would not be considered for any restoration work. And from my standpoint, that's simply not acceptable.

MR. BRODERSEN: Well, Mr. Chairman?

MR. PENNOYER: Mr. Brodersen.

MR. BRODERSEN: We're looking at maintaining the range. What you would then want to say is that alternative three is not acceptable to you as the alternative but to eliminate three, if you look at four and five, they're fairly close too. The only major distinction between them is this question of population that you would need to then make the argument that you want to make sure that we look at all injured resources, not just resources whose populations are injured. Not that you want to

eliminate the -- I would hope not that you'd want to eliminate the alternative for public consideration and then you would want at some point when you're making your decision as a Trustee Council based upon public comment, probably have a predilection to go toward five. It's not that you want -- I would hope not that you want to eliminate an alternative such as natural recovery, for instance. That's something that needs to go out for public comment across the range.

MR. ROSIER: I would agree but I'm not sure that the subtleties of the differences between three and four is anything more than kind of a complex thing that is the public truly going to understand the complexity of that and the subtleties that are involved and the difference between three and four.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I want to get back to alternative one, again. Why do we send alternative out for public comment if it's only for NEPA compliance alternative? Nobody in the public is going to say, don't do anything other than sit and watch nature restore all of these injured resources. So, why do we confuse what we send out to the public, if it's only for NEPA compliance?

MR. BRODERSEN: I'll pass that onto one of my federal cohorts, if I might. A little more familiar with NEPA.

MR. PENNOYER: Mr. Barton.

MR. BARTON: The short answer is that it's simply a procedural requirement.

MR. COLE: Well, I'm not saying that we don't comply with the NEPA compliance and do it satisfactorily but why send it out to the public? They'll be confused. Nobody in the public will respond to say well, let's take alternative one and do nothing. So, we should not send that out to the public, but we should simply comply with the act. That's my view and then we could certainly eliminate that because I think we should do all we can to eliminate that or do we have to send out to the public?

MR. PENNOYER: The act requires that we send out to public comment as far as the EIS process and therefore, it needs to go out as part of the plan process so that the documents mirror each other.

MR. COLE: But at this stage?

MR. PENNOYER: We haven't sent anything out yet so I think that's...

MR. COLE: See what I mean?

MR. PENNOYER: ...where we're stuck. We have a motion on the floor to amend the framework by eliminating alternative two, habitat protection and making a row out of it instead of a column. Any further discussion on that? Ms. Bergmann.

MS. BERGMANN: Mr. Chair, I think one of the reasons for having alternative two in this suite of alternatives is because of public comment that we received to date supporting habitat protection because we've had substantial public comment that would indicate that many of the public would like to see

most, if not all of the monies go toward habitat protection, so the feeling is that unless we have this as an alternative that we're really not showing the public in terms of our draft environmental impact statements what the differences are between all of these different alternatives and that we would not truly have a full range of alternatives.

MR. PENNOYER: Commissioner Sandor.

MR. SANDOR: Well, if you look at page 28, which, as I understand it is alternative two, what that shows essentially, there's administration, monitoring, habitat protection and that's it. And is that realistic? What I heard in Mike's motion was that habitat protection is woven through all the alternatives. Mike, is that right?

MR. BARTON: That's correct.

MR. SANDOR: So, I mean are we seriously actually thinking of eliminating looking at an alternative that doesn't focus on these specific projects? Just how realistic is alternative two? That's why I was trying to support the motion. Can somebody explain...

MR. PENNOYER: I guess my problem is by way of explanation is that I don't know that getting rid of habitat protection as an alternative by itself, a stand-alone alternative is wrong, but I'm not sure how it fits as a row. I mean we're not putting -- what would you write across under these different alternatives of habitat protection? Injured services or population has declined or what would you put in these different

columns under the other alternatives for habitat protection...

MR. COLE: Mr. Chairman?

MR. PENNOYER: ...if it is a row. I don't mind eliminating some alternatives if we have it woven into the project mix and it is woven into the project mix. Mr. Cole.

MR. COLE: Why don't we ask the person who prepared this chart if he can respond to this inquiry?

MR. PENNOYER: Good idea. The person who prepared the chat, can you respond to the inquiry?

MR. LOEFFLER: The purpose of alternative two is to point out the consequences of habitat protection only, so if you eliminate it, you eliminate the analysis that says if this is all you do, this is what you get. And since we've heard that from the public, we put it in to show people the consequences. It does not imply that you got -- that the trustees would pick it. If you put...

MR. PENNOYER: Shows what you'd lose?

MR. LOEFFLER: It shows what you'd lose if that's all you did. If, in fact, you had it as a row, you could make a row something on the order of the extent of habitat protection in this alternative and make it a budget row, essentially.

MR. SANDOR: Mr. Chairman, it seems to me that we'd have to at least do that to show what the levels of habitat protection would be. It just occurs to me (indiscernible) actually look at that (indiscernible) where it's just 95 percent, that you know it's just not realistic. That's like watching

natural recovery except that it eliminates -- all you do is just add one tool and why wouldn't we have a mixture of efforts, individual species projects that enhance or correct (indiscernible - unclear) So, it seems to me...

MR. PENNOYER: So, what you're saying is if you did this, we'd have under the alternatives -- under the themes, we'd have habitat protection as a theme and show a little bit, a little bit more or no. A lot, a little bit, less a little bit less and a lot less or something like that?

MR. LOEFFLER: Yes.

MR. SANDOR: Is that what you had in mind, Mike?

MR. BARTON: (Inaudible positive response.)

MR. PENNOYER: You could make a theme -- habitat protection into a theme.

MR. LOEFFLER: One of the policies -- you would add it to the theme and one of the policy variables would be the extent of habitat protection.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: Mr. Chair, I don't understand the difference between doing that -- when we looked at the comparison of alternatives, this chart that was shown to us before whenever it was, a while back, it showed us that alternative one has zero percent of the budget going for habitat protection; alternative two has 91 percent; alternative three, 75; alternative four, 60 percent and alternative five, 45 percent. So, I think, in fact, that what we're talking about here is already included...

MR. PENNOYER: But not in this first table.

MS. BERGMANN: ...in the information. It's implicit within that first table. When you develop this table, you end up -- you end up with expenditures that relate to this chart, is that correct?

MR. LOEFFLER: The chart is the implications of the table.

MS. BERGMANN: Right.

MR. BARTON: What I was thinking about all you would do is eliminate the 91 percent in this chart.

UNIDENTIFIED VOICE: And spread it.

MR. BARTON: Well, it's spread essentially now.

MR. PENNOYER: Well, so what you would do then is you would put habitat protection as a theme and under each of these alternatives, you'd have a percentage or something that came to a percentage on the first chart instead of on the last chart?

MR. BRODERSEN: It would become a variable on this chart. One of the problems we really run into here is that we've heard from certain elements of the public fairly repeatedly that they would like to see an alternative like this. I think -- to tell a little story here, when I first saw this set of alternatives -- actually, there were six at that time, I looked at them. I didn't like any of the six as one that I wanted to end up with and it took the restoration planning work group several days for them to get through to me that what they really had here was the range and that the alternative that we, as a

body, meaning the Trustee Council ends up picking is one that almost undoubtedly will take bits from several alternatives to come to the one that everybody likes. So, that even though you don't see the alternative you like here or if you despise some of the alternatives here, the idea is to get out the range of public thinking for public comment for reasonable actions plus natural recovery which, I'm told, we're forced into and I grudgingly accepted that a while back and that what we're looking here is to get a set of alternatives that captures that range. You want to make it as few as possible. That's one of the reasons we were looking at removing four. We could go back and remove two and make limited restoration even more limited so we could up the amount that's put into habitat protection or something like that but I think one needs to remember that just because you don't see what you like here doesn't mean that it won't end up in the final restoration plan. That's the important thing to remember that we're -- if we don't mix and match, I'll be extremely surprised in terms of coming to that final restoration alternative that you all pick.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: What are we doing to use this whole thing for anyway? I mean it's a nice, lovely chart and it reflects a lot of work but I mean what is it -- how are we going to use it?

MR. LOEFFLER: I would think that the policies -- Mr. Chairman, if -- I would think that the policies that you come up

with will guide the annual work plans. And that the annual work plans will be the flexible method in which you implement the policies that you've decided on.

MR. COLE: But how do we use this in dealing with the annual work plans? Don't we just sit and look at the annual work plans and say, let's adopt this one after we hear the presentation and then go to the next one and not even say are we using alternative three or alternative six here?

MR. LOEFFLER: I would think that, for example, if you chose some of the -- if you chose a more limited form of some of the variables, so if the public said we only want to deal with things that the populations have declined, that would give you direction for the annual work plan. If the public said, deal with resources, stop active restoration when the resource has recovered, that would give you direction for the annual work plan.

MR. COLE: What I think the public will do is say this is so confusing, I don't know what to say and we won't get any real guidance from this. And furthermore, for each project we propose in an annual work plan, you would have to be looking at a different variable or a different alternative and applying the variables. It just seems to me that it's just, as a working tool, it would be ineffective. I mean I think conceptually we can sit here and understand it but I don't see how this helps us in the public in the decision-making process. That's what troubles me about it.

MR. PENNOYER: John.

MR. STRAND: Well, I think that my concept is that we go out to the public with four or five alternatives, maybe less, we get comment back from them -- you get comment back from them and at some point in time, you select whichever alternative or it may be a recombination of what we have here but you're going to select one alternative for implementation as the final restoration plan.

MR. COLE: I mean let's stop right there. Will we?

MR. STRAND: Yes.

MR. COLE: I'm not sure we will. I think that we have to look at each of these projects almost discretely rather than saying okay, the whole restoration plan will take alternative three or alternative five. Is that what we will really do? I don't foresee that.

MR. LOEFFLER: If you would the annual work plans to go under the guidance of a set of policies, this provides a method of doing it.

MR. STRAND: Yes.

MR. LOEFFLER: If you don't want the policies, if you want to do de novo each year, then you don't need a restoration plan.

MR. STRAND: But if you select one final alternative as your final restoration plan, then you have set in place, although it can be flexible, but you have set in place some sort of standard by which to gauge each of the proposals that come in on

an annual work plan basis. Then you have something to go by that okay, this project fits the grand guidance of the plan; this one does not and you know, it's something to guide you through the then subsequent years of restoration. But still being flexible enough to end restoration when it's supposed to be ended or deal with restoration yet in a different way based on new information as it's derived. But that's sort of conceptually how I think we've seen this coming together. I don't know if that helps.

MR. PENNOYER: There's a motion on the floor to eliminate alternative two, habitat protection only and treat that as a variable in all the various alternatives, except of course, the no-action natural recovery. Any further discussion on the motion?

MR. COLE: Could I have a moment to confer with my...

MR. PENNOYER: You certainly may.

MR. COLE: ...esteemed colleague?

MS. RUTHERFORD: Mr. Chair?

MR. PENNOYER: Ms. Rutherford.

MS. RUTHERFORD: I guess the only thing I would say -- I'd like to have an opportunity to say is that if the Trustee Council would ever seriously consider focusing almost totally on habitat protection, the public has said that they would like to have that as an option to comment upon and I think that if it's even within the realm of possibility that you might agree to that, then I think it's appropriate you provide that to the public for them to respond to.

MR. PENNOYER: Thank you. Maybe we'd better try this one. All those in favor of this motion?

MR. COLE: Would you restate the motion?

MR. PENNOYER: The motion is to eliminate alternative two as an alternative and carry it as a variable across all the remaining alternatives which would then be one, three, four and five.

MR. COLE: And there will be a variable down there under injuries assessed, for example, and it will save habitat protection?

MR. PENNOYER: It would be there; would not be a 90 percent variable, presumably from the table that was given us at the end. You'd end up with a variable across that would have zero for habitat under alternative one, 75 percent under three, 60 percent under four and 45 percent under five. There would be no habitat only quote variable. Is that correct, Mr. Barton?

MR. BARTON: That is correct for what would go out to the public. but it's entirely possible then based on public comment we could end up back with 100 percent devoted to habitat protection.

MR. PENNOYER: I guess I'm not clear why we shouldn't show that to start with as a possibility if you think it is even a remote possibility.

MR. BARTON: I don't think it is. I say we could.

MR. COLE: Mr. Chairman, I think we should send it out the way it is and be done with it. Like you say, we've beating

it to death and get on with it.

MR. BARTON: I feel strongly that we need to make a decision, whether it's four or five or one or two. I feel less strongly about but we do need to pick a number.

DR. MONTAGUE: Mr. Chairman?

MR. PENNOYER: Dr. Montague.

DR. MONTAGUE: Can I offer a compromise idea that deals with both Commissioner Rosier's and Mike Barton's concerns and what this would do would cut it down to four alternatives. Would eliminate number two, three and four are the -- three would be eliminated. The new number three would be number four with all the reserve moved into the habitat.

MR. PENNOYER: I'm not sure you've simplified it. Would you care to withdraw and put it on a pie chart? Why don't we go ahead and try the motion and if that fails, we'll try something else. All those in favor of eliminating alternative two and making it as an alternative and making it a variable, signify by saying aye.

MR. BARTON: Aye.

MR. ROSIER: Aye.

MR. PENNOYER: All those opposed?

MS. BERGMANN: Opposed.

MR. COLE: Aye.

MR. SANDOR: Aye.

MR. PENNOYER: Aye. Can I have another motion? We do need to do something, so let's get...

MR. COLE: Send it out the way -- I move we send it out the way it is.

MR. PENNOYER: Do I have a second?

MS. BERGMANN: Second.

MR. SANDOR: Second.

MR. PENNOYER: Is there any discussion? All those in favor of sending it out the -- well, no, it's not sending it out the way it is because we're going to get another shot at this, right?

MR. LOEFFLER: That's accurate.

MR. PENNOYER: Okay, preliminary instructions to the team, if you would, Mr. Cole, being to continue in the way they're going and come back to us with further elaboration. Any discussion?

MR. BARTON: It 's not clear to me what the motion is. Are you moving that we have five alternatives?

MR. COLE: Yes. I'm moving that we continue on the basis of what page 20 now is.

MR. BARTON: Second.

MR. PENNOYER: All those in favor of Mr. Cole's motion?

MS. BERGMANN: Aye.

MR. SANDOR: Aye.

MR. ROSIER: Aye.

MR. PENNOYER: Opposed? It carried. Thank you. Now, before you go completely away, we have one last question on this item and that's timing. You made a statement earlier that

you were going to send something out to public review in March or April and I am of the opinion we've had some discussion contrary to that and I'd like to Mr. Barton to present what he sent to the Trustee Council in his letter, if you would, Mr. Barton.

MR. BARTON: Yes, I will, Mr. Chairman. I'll lay this on the table and then I will leave and let my designated alternate worry (ph) this around. I have to catch a plane very shortly. As I understand it, there has been a proposal to send out the draft plan for public comment sometime in March or early April and associated with that is a series -- may be a series of public meetings. On the other hand, the next step in the NEPA process would call for releasing the draft environmental impact statement about June 7th, again for the same type of public comment. In all likelihood, we would be making the second release of the draft environmental impact statement prior to getting the comments back and analyzed from the first release. We could wait but if we wait, we could wait to make the second release 'til we had the analysis of the first release as public comment but if we do that, we will, in all likelihood, delay then the final restoration plan publication. That's further compounded, thinking of the public that we're asking to spend their energies, we are also going to be asking them at about that same time frame to look at the '94 program of work.

That's three rather significant events in terms of asking time of the public and I guess I don't think the benefit gained from the release from the March/April time period of the

draft plan is of sufficient benefit to warrant the ultimate delay of a final restoration plan but I am open to that. But again, this is another one of those subjects upon which I wish we would make a decision and stick with it. It's like picking a number in the last round. It's somewhat less important to me as to what the decision is but we desperately need to get a decision made. I may not have all that understood properly and I would be pleased to have the errors of my ways pointed out but with that, I'm going to excuse myself and ask Jim Wolfe to come up here.

MR. COLE: Before you do, Mr. Chairman. Are you implying that we can't make decisions?

MR. BARTON: No, I'm not implying that at all.

MR. COLE: Just wondering.

MR. BARTON: We make them and then we remake them and then we remake them.

MR. PENNOYER: Thank you, Mr. Barton, I think what you're proposing is that we wait -- Mr. Wolfe, do you want to come up and sit at the table, please? Thank you -- that we wait and send the '94 draft plan, the restoration plan and the EIS restoration plan all out at the same time and by doing that, your proposals would not cost any additional time to the end product?

Because the end product is going to be held up by the time to review the EIS anyhow, so is that the proposal, in essence, and is that what legal counsel has advised you that we can wait and send them all out at once and still stay within the time frame, allow for development of the restoration plan? Isn't it an

added advantage then supposedly that we will have the '94 work plan going out at the same time as the restoration plan and therefore, they will be a tied-together document that would allow whatever restoration projects might be in the '94 work plan to have the benefit of the public seeing that and the restoration plan at the same time? Yes or no would be okay.

MR. WOLFE: Yes.

MR. PENNOYER: Thank you.

MR. COLE: Well, Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: What are the dates these things are supposed to happen? Didn't we go over this once before? Just so we don't have to make this decision once again and we can mark it in blood on the calendar.

MR. PENNOYER: Perhaps Maria or Ginnie could help me that. My understanding was the dates will stay the same; you'd simply eliminate the March/April public review sequence.

MR. WOLFE: That was my understanding but that was based on -- Ken, you were advising us on the schedules that we were looking at in the NEPA process.

MR. PENNOYER: Mr. Rice.

MR. RICE: Mr. Chairman. The schedule the way a couple of us have worked to put it together would have an alternatives information package going to the public by the 23rd or so of March and then public meeting somewhere around the 12th of April until the end of April. You'd have about two weeks in which to

review comments on that and at the end of which time, any changes would have to be made and then the draft restoration plan would be coming to the Trustee Council by the 21st of May with a Trustee Council meeting around the 1st of June. And the environmental impact statement would follow along with that. In other words, you would be getting that at the same time. Basically, we have between now and the June Trustee Council meeting, we've got about six weeks in which to develop an environmental impact statement and two months to do any review, rewrite and correction to that before a June 7th release to the public.

MR. PENNOYER: And now, you've completely lost me, I've got to admit. I thought that Mr. Barton's letter basically said we couldn't do that?

MR. RICE: Well, that was what the...

MR. PENNOYER: And in fact, we had to -- we could not stay on that schedule and put a document out that had the benefit of public review in March and April which was used to modify the restoration plan and EIS in time for them to go out to public review in a corrected fashion.

MR. RICE: What I read you was what the habitat protection -- or excuse me, the restoration planning work group was proposing to do and the Restoration Team was reviewing that. It gives us a fairly short schedule in which to make any changes and be able to meet that schedule and I guess what's in front of the Trustee Council is do they truly believe that we could take a

series of public meetings in late March and April and then make changes to the restoration plan, changes to an environmental impact statement and still meet the June deadline.

MR. PENNOYER: Well, I guess it's less that we believe it than do you believe it and would advise us. My impression was the advice I was getting via the Restoration Team which you couldn't do that and we'd end up delaying the June 7th output if we waited to use the March/April public input.

MR. RICE: There's been a lot of discussion within the Restoration Team on this and there's not full agreement on it.

MR. BRODERSEN: Mr. Chairman?

MR. PENNOYER: Mr. Brodersen.

MR. BRODERSEN: Basically, what it comes down to here is that if we're on track with public thinking on the release during April, we can do the June release on time. If we've missed it, then we're better served to take additional time, redo the restoration plan and EIS that goes out in June so that we're closer to where the public are and get a document that will not require further revision. If we've made it in terms of hitting where the public thinks we ought to be, then we're on track. If we haven't, better to know it in April and get the thing rewritten so that June, July, August, whenever it gets out, it then does meet with public concern.

MR. PENNOYER: I guess with the NEPA process, is that required or do you send it out once and then take those comments into account in what you put out as a final EIS and restoration

plan. You're going through a two-step process. You're putting out one series and asking do you think this is okay. And then that comes back in, you revise your restoration plan and your EIS supposedly to mirror those comments, you send it out again, and you get another set of comments which probably require -- could require further revisions. So, is that required and is that timely?

MR. BRODERSEN: It's required in the sense in my thinking in that if we have only a June, July review period, we're going to miss a fairly important element of our public that will be busy, making a living that time of year and really will not be in a position to give us considered comment on something that will affect their lives for years to come. We're hoping that the April session would allow those folks the opportunity to comment on this plan and give us the benefit of their guidance. Otherwise, we're going to be limited to people who basically do not make a living in the area because they'll be busy making a living in June and July. I think that's an incredibly important consideration through all this.

MR. PENNOYER: So, the motion is then to leave it the way it is, right?

MR. COLE: Namely?

MR. PENNOYER: March/April public hearing process, the draft plan going out, revision of the EIS and the restoration plan and the '94 work plan, I presume.

MR. BRODERSEN: The '94 work plan is on a different

schedule.

MR. PENNOYER: Well, I think that was part of the process Mr. Barton is recommending however, there was some advice including any restoration projects in the '94 work plan for the restoration plan was finalized was going to be a problem anyhow. Hook the two together and send them out at the same time would obviate some of that concern.

MR. WOLFE: That was -- Mr. Chair, tying the '94 work plan to the EIS and the final draft going out for public comment was to address some of the concerns that our Interior folks were having with not having the restoration plan before we go ahead with the restoration in '94 so we felt that if we tied those two together, it would be advantageous to everybody in making it flow smoothly as far as concerns for the restoration plan. The other issue and we were trying to bring it to the surface and that's the reason that Mike pushed (ph) one way or the other, but we did have an extreme concern that we were going to after -- or here shortly, go to our contractor who is doing the EIS for us with a set of alternatives and those alternatives will be developed. And in the interim, we're going to go to the public with a draft restoration plan that doesn't necessarily link with -- that links with what we've given the public but -- or the contractor but when we get the public comments back and we have an EIS that links to an original draft, if there is any significant public comment that stands to put us in jeopardy of having to go back and delay the whole process in order to get the EIS consistent

with public comment. Otherwise, you run the risk of not being responsive to the public comments. And that was our concern.

MR. BRODERSEN: Mr. Chair? I want to address a very specific question here on tying the '94 work plan comment period for the public to the EIS and the restoration plan. If we delay putting out the '94 work plan until the EIS and restoration plan go out, we then, as near as I've been able to tell from scheduling here, there isn't a chance that we have the '94 work plan ready to go October 1st which in theory is our goal this year is to be on the federal fiscal year. We, essentially, have to have public comment on the '94 work plan done by the first of July to make that happen. Unfortunately, Ken and I are sitting here with schedules that the rest of you don't have because we just finished them up this weekend and I apologize for that but we just weren't able to get to it and so the Restoration Team has not seen these or anything, but unfortunately, when you lay these six tracks out here, you do see where the overlaps occur and the impossibilities in timing, et cetera.

DR. MONTAGUE: Mr. Chairman?

MR. PENNOYER: Dr. Montague. If I can offer two other thoughts relative to this combining of the various documents. Initially, I certainly felt that it sounded like a pretty good idea, too, but two negatives are that one of the documents may go well. There may not be any public concerns and it may fly right through but if you tie them all together, a problem on one holds them all up. And the second thing is that we found, for

instance, the '92 work plan being out for review as a draft, asking for '93 ideas and reviewing the restoration framework all at the same time totally confused the public and many '93 ideas came in as comments on the restoration framework and comments on the '92 plan came in as '93 ideas and so on and so forth, so it may be more trouble than it's worth.

MR. PENNOYER: Maria, did you want to comment on that? Or would you?

MS. LISOWSKI: I think there's a couple of different things going on here and people are getting confused. The '94 work plan, at least as we had envisioned it, would not necessarily be a part of the draft restoration plan and draft EIS. The idea of getting it out at the same time as the draft EIS and the draft plan is so that you have the ability to say that these projects that are proposed for '94 are consistent with the draft plan. So, in other words, you have, at least, some set of criteria that you could be using to look at each one of these projects when you're evaluating them and when they go out to the public, the public can evaluate to see if they're consistent with the draft restoration plan and draft EIS. So, it's not a matter of necessarily tying the two together in one package.

With respect to having the March and April public comment and review process, I think at one point there was some question on whether that would be required under NEPA and whether we needed more scoping. In our view under -- since we're

following Forest Service regulations and procedures, I think we're fine as far as scoping is concerned in only going out with a draft EIS and draft plan in June. It's certainly your call if you want to go ahead and issue another document out to the public for informational purposes and getting public comments back, that's fine, but you do run the risk of not being able to integrate those comments into your draft alternatives for the restoration plan and your draft alternatives for the EIS. And if you end up receiving public comments that you can't then integrate into the draft EIS and draft plan as it's going out in June, if in fact, we're going to stick that schedule, then you have some problems in how you're going to integrate that back into a final plan.

MR. RICE: Mr. Chairman.

MR. PENNOYER: Mr. Rice.

MR. RICE: The -- back -- I'm trying to think how far back, when you reviewed the first schedule and asked us to go back and change the schedule for completion of the restoration plan and a couple of us did that over lunch, brought it back to you and you still expressed some concern on that. That schedule had us going out in June with a draft restoration plan and EIS. It had envisioned some kind of information package going out to the public but did not have built in to that schedule opportunities for significant review or incorporation of comments into it, so it would be an information package saying here's where we're at more than give us your comments back on it. As

Mark and I have gone back and forth on this quite a bit, I'm not as optimistic that we would be able to incorporate significant or, you know, even technical changes into the draft plan and EIS in order to meet the June deadline. He feels that we could do that.

MR. PENNOYER: Mark, you had in mind after this March and April turn, Trustee Council sort of would meet like it's going to after we get the final draft back, make decisions, modify the plan accordingly or would we still be sending out alternatives as EIS requires? What type of public comment and input do you expect in March and April that would -- I mean we can't go back and just send the plan out after that. We have to go back and send all the alternatives still under the EIS format. So, what -- is the public being expected simply to comment on whether the range of alternatives is okay or things we forgot or is it to actually comment at that time and the meaningful thing of what plan you're going to choose because we couldn't do those anyway. So, the group that's going to -- I agree with you about the comment that time versus in the summer. Summer's a problem in Alaska but since we're not going to change anything finally before we send out alternatives anyway, what type of input do you expect in March and April? What would you ask for?

MR. BRODERSEN: I would expect exactly what you were saying there. Are we on the mark here with our alternatives? Do we have our ranges correctly for the alternatives? We would want folks to comment on what their alternative would look

like. This is essentially to give a large chunk of our populous the opportunity to comment meaningfully on these alternatives which they probably will not be able to in June and July since they will be busy making a living at that time. Essentially, what you're ending up with is two comment periods on the same document. You want to incorporate as much of what they tell you is wrong with the document as you can before it goes out again for the second comment period. I have this conceit that we're going to be fairly close so that there won't be too much for us to have to change. If we have missed it, then by all means, we need to change it and at that point, then let things slide a little bit. I think the overriding concern here though is to make sure that we're not disenfranchising the people who live and work in Prince William Sound and Kodiak and lower Cook Inlet areas from being able to meaningfully comment on this plan when it comes out, basically in July which is heavy duty seining season.

MR. PENNOYER: Do we have a motion of any kind to amend our present schedule which I understand is still in March/April mail-out of some kind. I'm not exactly sure of the format of it yet, asking people to comment on the alternatives (indiscernible - cough) not making clear to them that this is two-stage process and they will be doing a final plan later and then putting out the final plan as soon as we can get back the comments and incorporate them and meet and do that, recognizing there could be a delay of a month or more in the final

restoration plan, but that's our current schedule. Is there any motion to change it? Okay, then I guess we're staying with the current schedule. Your arguments were persuasive.

I think we might as well move onto the next item on the agenda then. Are we done with that one? I hope. " '93 Work Plan Deferred Projects." Dr. Gibbons, do you want to take us through that?

DR. GIBBONS: Okay, there's basically three categories of deferred projects. First category is '93 draft work plan projects which are four. Project 93011, the harvest guidelines for river otters and Harlequin ducks; Project 93016, the Chenega chinook and coho project; 93024, the Coghill Lake Fertilization Project and 93030, the Red Lake Project. Those were deferred, if you'll look at -- there's a summary recommendation matrices that's in your package and all the actions taken at the late Trustee Council are in here and if you'll -- it identifies also the ones that were deferred.

MR. PENNOYER: Where are you at, Dave?

MR. GIBBONS: And the first project that was deferred is 93011, develop harvest guidelines to aid restoration of river otters and Harlequin Ducks.

MR. PENNOYER: That was \$11,000.00?

DR. GIBBONS: Yes.

MR. PENNOYER: Would you refresh our memory as to why we deferred that one? I know we talked about it for a considerable period of time.

MR. COLE: Well, Mr. Chairman, I have a recollection of this one and my recollection is that this was the sort of thing that Commissioner Rosier's group out of the...

MR. PENNOYER: That's correct.

MR. COLE: ...funds which it will receive as part of these projects could find a way to prepare these guidelines subject to -- without having a specific \$11,000.00 appropriation.

MR. PENNOYER: Is there a motion to do anything with this project?

UNIDENTIFIED VOICE: Move adoption.

MR. PENNOYER: Hearing no second, shall we go on to 93016? Chenega chinook and coho salmon release program which is awaiting NEPA -- what was the total cost of 93016?

DR. GIBBONS: The total cost is 50,900.

MR. PENNOYER: This is recommended to increase budget to 59 to cover hatchery costs. That's the total cost of the program?

DR. GIBBONS: That's correct. It was -- in the draft restoration plan, it was 25.9.

MR. PENNOYER: Oh, increase to. Thank you. Have the NEPA documents been completed on this project?

MR. ROSIER: No, I don't believe -- Mr. Chairman, I don't believe the NEPA documents are completed on this? Correct?

DR. MONTAGUE: Mr. Chairman, that's correct on Project 16, 24 and 30. 24 and 30, the documents are done and being reviewed by the agencies but they haven't made their

determinations.

MR. PENNOYER: What's your pleasure? Shall we defer these to the March meeting or defer them to the '94 work plan at this stage? Is there any relevance to doing them in March?

DR. MONTAGUE: Mr. Chairman, I -- both 24 and 30 could well be done after March. Actually, number 30 will not really require any action until about July but nonetheless couldn't be deferred to 1994.

MR. PENNOYER: Couldn't be?

DR. MONTAGUE: Could not because it needs to...

MR. PENNOYER: Well, it could. It just couldn't be done this year. I didn't mean it couldn't be deferred to '94.

DR. MONTAGUE: That's correct.

MR. PENNOYER: How do you mean that? I mean if the council decides to defer it to '94, you're saying we couldn't do that?

DR. MONTAGUE: Well, Mr. Chairman, what I was getting at was that this was a project where we purchased the equipment last year to prepare to do it this year.

MR. PENNOYER: Thank you. Good explanation. Do we wish then to defer these to the March meeting?

MR. COLE: So moved.

MR. PENNOYER: Second, anybody?

MR. WOLFE: Second.

MR. PENNOYER: Anybody object to deferring these to the March meeting? Thank you. Another category of deferred

projects was the PAG projects, I believe. Dr. Gibbons, do you want to take us through that?

DR. GIBBONS: Okay, that's the last page and it's spread on the matrices. There's five projects. The Kodiak Industrial Technology Center for 100,000; the Kodiak Archeological Museum Project 298-17 for 800,000; Prince William Sound herring damage assessment project for 237,000, roughly 900. And the Prince William Sound pink salmon coded wire tag project for 773,600 and the fifth and last one is the Prince William Sound chum, sockeye, coho and chinook coded wire tag project for 249,590.

MR. PENNOYER: As I recall, one of the actions taken at the last meeting was to defer these and ask for comment from the Restoration Team. Did the Restoration Team study these?

DR. GIBBONS: We tried to get to it. We had a real full agenda. We got to projects number one and two only. We didn't get to projects three, four and five.

MR. PENNOYER: What did you do with projects number one and two?

DR. GIBBONS: Projects one and two, the Restoration Team decided that their first determination was correct that we did not believe that these were time critical projects and we deferred them to the '94 work plan.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I move that with respect to projects one and

two, we defer consideration of them until the next meeting. I think Mr. Silby would like to have been here at the time we address these if we do and I would like to afford him the opportunity to be present and speak in behalf of one or both of them.

MR. PENNOYER: Is that a motion?

MR. COLE: Yes.

MR. SANDOR: Second.

MR. PENNOYER: And it's been moved and seconded to defer one and two to the March meeting without indication of action but just to hear further discussion. Any objection to that? Projects one and two will be deferred to the March meeting. Projects three, four and five. The RT did not take those up.

DR. GIBBONS: Mr. Chair, just one comment on the project -- on the archeological museum. There are two other proposals from the public for archeological museums and the Restoration Team during its deliberations here last week thought perhaps all of them should be considered together or you know, it was a concern of ours that we were considering one and not the other two. I'm not sure how to deal with it but there were three ideas submitted in the project idea list.

MR. SANDOR: Can we do that at the March 10 meeting?

MR. PENNOYER: Consider all of them?

MR. SANDOR: Yeah.

MR. PENNOYER: Actually we can do anything we wanted

to at the March 10 meeting. The March 10 meeting now is going to be a continuation of this meeting and those proposals, the other two proposals, are not on any announcement. Do we have a problem with that?

DR. GIBBONS: We don't have very much detail. We have the one-page idea on those projects and that's about it. I'm not sure we can gather the amount of detail that we have concerning the other two that we have on the...

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, are the other two from Kodiak?

DR. GIBBONS: I do not believe so. I think one -- I'm not sure of the locations, but I don't believe they're from Kodiak.

MR. PENNOYER: Chenega and Valdez maybe?

MR. BRODERSEN: It's Fairbanks and where was the other one?

MR. COLE: Seward?

MR. BRODERSEN: I can't remember.

MR. PENNOYER: Fairbanks and somewhere else.

MR. BRODERSEN: University of Alaska.

MR. COLE: Well, may I ask this. Where did the University of Alaska propose putting archeological materials? There at the university in Fairbanks?

DR. GIBBONS: I believe it was an expansion of the existing facility and to put archaeological, you know, specimens.

MR. COLE: Is there any reason that we could not separately consider the Kodiak proposal?

MR. PENNOYER: I know of no particular reason. Dr. Gibbons simply brought up that considering that we need to take into account the fact of other proposals that haven't had a chance to...

MR. COLE: Whatever is the pleasure of the council, makes no difference...

MR. PENNOYER: Defer projects one and two at the March meeting. Do I still hear that as the preferred alternative? At that time, you could review for us generally what you know about the other proposals. Thank you. Three, four and five. Do I hear a motion on three, four and five?

MR. ROSIER: Mr. Chairman.

MR. PENNOYER: Mr. Rosier.

MR. ROSIER: Yes, I'd like to speak to number three there. Prince William Sound herring damage assessment. That particular project is a continuation of some of the earlier work that was done on herring there in Prince William Sound area. This is the year in which we would actually be looking at recruitment of the year class that was impacted by the oil spill. We know that there's evidence of some damage to that particular stock. The degree of that is unknown at the present time but we feel at this time that we should be continuing the assessment of the damage to that. That year class is certainly going to be one that will hopefully with us and participating in the major

herring fisheries there in the Sound and the information to be gathered from this will certainly be important to the management of that resource. So, I would urge that, at least, some portion of this project be approved. Looking at the budget for it, it was 237,000 or 238,000. About 110,000 of that was vessel charter. It's too late at this point, I think, to get ourselves involved with the vessel charter. That fishery is probably only a little over a month away but there is a fairly substantial amount of lab work that would be associated with the samples and so forth associated with the ongoing work that we will do on that stock this year so I would ask for approval of number three at the \$127,000.00 level.

MR. WOLFE: I second.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

COURT REPORTER: May I please change tapes?

(Off record: 4:20 p.m.)

(On record: 4:20 p.m.)

MR. COLE: Commissioner Rosier, did the department recommend this study as part of the '93 work plan?

MR. ROSIER: Yes, we did, Mr. Chairman.

MR. COLE: Did it drop out at some stage?

MR. ROSIER: It fell out in the early stages as I recall on this and...

MR. COLE: As I recall, there was substantial public support in the public comment for this project. Does anyone

else have that same recollection?

MR. PENNOYER: As I recall, it dropped out along the way. One reason was that the chief scientist recommended it could wait a year and it wasn't a mandatory project. It wasn't time critical, as I recall, and that's different from the presentation we were given now. I'm not sure what the difference is but...

MR. MONTAGUE: Mr. Chairman.

MR. PENNOYER: Dr. Montague.

DR. MONTAGUE: If I can address that. The feeling was that the Restoration Team, why it was dropped, was that there was a comprehensive program that was closing down. And the group at that time, it seemed a very reasonable decision to want to see what that information was before they made any proposals for what to do. The findings for that project have been in for about five weeks now and it was based on those findings that we didn't have back during the summer when we were doing the deliberations that the department's pushing it back in.

MR. COLE: Question.

MR. PENNOYER: Mr. Cole.

MR. COLE: Oh, I say could we call for the question.

MS. BERGMANN: Mr. Chair.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: When this project came back up, we were having a series of meetings on the 10th, 11th and 12th of January with chief scientists and a number of peer reviewers to look at

projects that might make sense to go forward in 1994 and we asked -- the Restoration Team asked the chief scientists and the peer reviewers to comment specifically on this particular proposal. And my impression was in listening to the peer reviewers and the chief scientist was that their feeling was there was some interesting things happening with herring; we certainly should take note of it, but that it would not hurt at all to wait one more year and see what happens this year. If the same thing happens again in '93, then their recommendation would be to certainly go out and do something in '94, but there was not, as I recall, concurrence that we needed to do something in '93.

MR. PENNOYER: Would you -- Mr. Rosier, would you come again on what's left in this project when you take the 100,000 out? I, unfortunately, don't have the project detail in front of me like I did at the last meeting and the RT did a review of it and I don't have any of that type detail here.

MR. ROSIER: Mr. Chairman, yeah, if I might. Basically, as I understand the project and I don't have the write-up in front of me either. Perhaps Dr. Montague does but...

(Music Interference)

MR. BRODERSEN: Somebody has bent their lavalier under. Whose is it?

UNIDENTIFIED VOICE: Charlie's.

MR. COLE: Excuse me.

MR. GIBBONS: Try Commissioner Rosier again. See if

you can turn him up.

MR. BRODERSEN: Go ahead.

MR. ROSIER: As I understand it though, the -- it would be our intent to, in fact, do some sampling, do some stock assessment work and the work-up and the analysis of that then would be what we would, in fact, be paying for out of this. We would in fact, donate the vessel time and the (indiscernible - unclear) collection originally associated with the vessel time.

MR. PENNOYER: How much then is required for data work?

MR. ROSIER: About \$127,000.00.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, then this tab here in one of these notebooks, there is this herring spawn studies tab and there are in there a number of comments from the public supporting this project and I feel that that's adequate support for the adoption of these projects as Commissioner Rosier proposes from Mr. Weeze (ph), from Timothy Terrell, from someone whose signature I can't decipher. Equity Vessels, Kelp Ranch. Substantial support there in the record for these studies and I think that's sufficient support for me and Commissioner Rosier's remarks to proceed with that this year, especially when it's a fairly low cost project. So, I'm in favor of the motion.

MR. SANDOR: Call for the question.

MR. WOLFE: Mr. Chairman, I'd like to hear Dr. Gibbons' recollection of how we arrived at deferring the project and if

it's as time critical...

DR. GIBBONS: (Indiscernible - unclear) job history here. My understanding is that when that project first surfaced, the information at that time didn't show the injury that the analysis now shows. It showed incomplete or inconclusive evidence towards injury of herring. The herring harvest is comprised of seven to nine stocks of year classes of fish. And it's very difficult sometimes to separate impacts. You'll naturally have two big year classes out of nine say, and seven little ones. But the recent information, I understand, that we just got here I think five weeks or something to that order shows that the year class of '89, if I'm correct there, is very, very low. Exceptionally low. Not on the average. And that's my recollection of why the Restoration Team. First, it didn't show injury and now why it's surfaced again.

MR. PENNOYER: Any further questions for Dr. Gibbons?
All those in favor of this motion with aye.

MR. COLE: Aye.

MR. SANDOR: Aye.

MR. ROSIER: Aye.

MR. WOLFE: (Indiscernible).

MR. PENNOYER: Opposed?

MS. BERGMANN: Opposed.

MR. PENNOYER: No. Is there any way we can take a look at this again? Ask the chief scientist to give us an opinion and come back in the March meeting or is that too late to do it at

all?

MR. ROSIER: Mr. Chairman, I think that's the end of the project year (ph).

MR. PENNOYER: Not to belabor something we vote on but for one clarification, what will the department do with herring assessment this summer? Part of your monitoring activities in terms of bringing back information.

MR. ROSIER: Right. We will, in fact, have some level of monitoring on the herring stocks. Obviously, we will be on the grounds, you know, with the management of the program here this year but we'll be lacking the information on the '89 year class in terms of establishing the harvest guidelines.

DR. MONTAGUE: Mr. Chairman.

MR. PENNOYER: Dr. Montague.

DR. MONTAGUE: Relative to that, Carl, I think in having talked to the Commercial Fisheries Division what they will do is the catch sampling but they will not do a spawn deposition analysis or a spawn deposition survey and analysis.

MR. PENNOYER: That's not part of your normal activities (indiscernible - unclear)

UNIDENTIFIED VOICE: Do you want to move for reconsideration?

MR. PENNOYER: No.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Okay, let's not belabor that point here. Okay. Item four and five, I guess. Mr. Cole, did you

have additional...

MR. COLE: No, I had another subject so we should first do four and five.

MR. PENNOYER: Items four and five. The coded wire tag project in the Prince William Sound chum, sockeye, coho and chinook coded wire project. Do I hear a motion -- now, these were not considered by the RT at all? Is there a motion to adopt, defer to the '94 work plan? A motion from somebody. Dr. Montague, you can't make a motion, so...

DR. MONTAGUE: Just a clarification.

MR. PENNOYER: Oh, okay.

DR. MONTAGUE: These projects were reviewed by the Restoration Team and rejected.

MR. PENNOYER: Thank you.

MR. GIBBONS: We did not get a chance to re-review them again.

MR. PENNOYER: Is there a motion on these projects?

MR. ROSIER: Move adoption.

MR. SANDOR: I'll second.

MR. PENNOYER: Moved and seconded to adopt these two projects. Is there any further discussion?

MR. SANDOR: What's the consequences of not doing it?

MR. ROSIER: Well, Mr. Chairman, I guess on these certainly we've talked about the mix of hatchery stocks and the mix of wild stocks and the need to, in fact, have separation of those stocks in the management of our fisheries in Prince William

Sound. The coded wire tagging projects were keys to making that stock separation in the Sound and we have determined that there was some damage, certainly, to pink salmon stocks. Certainly a key species as far as the economics for the region is concerned and this particular project would have provided the information for -- hopefully for refinement of the management program between hatchery and wild stocks which are in a depressed condition there in the Sound, partially related to the oil spill. And the lack of this will preclude refinement of the management practices.

MR. SANDOR: Mr. Chairman, can someone summarize the four (ph) no votes on that team? Arguments against it?

MR. PENNOYER: That was from, I believe, the Public Advisory Group.

MR. SANDOR: The Public Advisory....

MR. PENNOYER: The Restoration Team turned both these down, originally.

MR. SANDOR: And the rationale primarily was it wasn't needed or does anyone know?

DR. MONTAGUE: Mr. Chairman, the arguments there, I guess, perhaps someone else could summarize them better but I certainly remember them. Many discussions of them was that there was oil spill injury, there's potential hatchery interaction injury. What's the right mix. And I guess you could think the hatcheries and the department should handle some and the Trustee Council could conceivably handle some of the other as they were oil spill injuries but that's -- that dilemma is what

led to their rejection.

MR. PENNOYER: Are you ready for the question? All those in favor of these two projects being in the '93 work plan?

MR. COLE: Aye.

MS. BERGMANN: Opposed.

MR. PENNOYER: Aye. Mr. Cole, did you have another project you wish to....

MR. COLE: I have another subject, Mr. Chairman. I don't see it on the agenda but Mr. Gibbons has given us a memorandum dated February 5, 1993 [sic] in which he states -- or "Annexed is a list of the '92 projects for which the final reports will not be completed by February 29, '93. All of these projects are with budget but because of delays in receiving hydrocarbon analyses incorporating extensive peer review comments and other unanticipated delays will require time beyond February 28th. Therefore, we request that the unexpended portions of their '92 budgets be carried over into the new authorization period so that these projects can be completed. No additional expenditures for these projects are requested beyond what was already approved in the '92 work plan."

I suppose we should act on that but before we do, I counted the projects which are not completed and there are 27 of them and I'm just wondering whether these -- somebody's riding herd on these people, whether the delays are reasonable but one of the concerns I have is if we don't get the data for one year's work plan before we complete the next year's work plan, we're

missing in the loop a year. So, without the data for the previous year, it seems to me we can't make rational decisions what we should do in the ensuing year, or the future year. I may be off the track on that, but that would be my thought and I just think it's essential that these studies be promptly completed for that reason.

MR. PENNOYER: Dr. Gibbons, can you answer that question?

MR. GIBBONS: I can't fully. I'm not riding herd on them. Each one of the agencies are assigned the task of, you know, dealing with the projects and I know some of the time frames for the final reports are extended due to some of the reasoning that was in the letter but maybe some of the Restoration Team members might want to comment on that.

DR. MONTAGUE: Mr. Chairman. I believe this represents about 40 percent of the '92 projects that will be delayed and as far as using the information for the '94 work plan development now, we did have the symposium and all the findings were indeed presented but and thus, we can use them but to have them available in detailed final reports will take longer. And as you can see in future schedules of work plans that we don't propose that reports be finished until about June or July in future years and the reason for that is without kind of a no-holds barred, pay whatever it costs effort, it takes about five or six months to go from a draft report to a peer review, revised, peer reviewed and accepted final report. So, it just seems for the best quality

and most of these are close-out projects, we only have about 20 projects in '93 compared to about 60 or so in '92 and indeed we don't intend to take along to September. We expect to finish them up in March and April, some of them as late as June but for the most part, we're not asking for nine month extensions on them.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Well, 40 percent of last year's projects, we haven't got the final reports in. That seems like a fairly large number to me, number one. And number two, I wonder whether these reports are really getting first-drawer priority in these people's daily schedules. And I'm also wondering whether we shouldn't, as part of these projects and contracts, demand an earlier completion date. I mean how can we do business when 40 or 50 percent plus or minus of the projects are not even done when we're out there making decisions and have theoretically six months earlier completed the forthcoming year's work plan. I mean let me just say this. I mean we take this position publicly that science is driving the restoration and that's why we need science so we can support the decisions for restoration. Then we learn that these projects are not completed and seems to me that our principal argument almost drops out.

MR. PENNOYER: Can we pass the intent of the Council to get an update on this at the March meeting with the agencies that have their projects behind reporting to us more definitively on

how they're monitoring that and what the intent is on getting those project plans done? In the interim we approve continued spending on the amounts necessary to complete the analysis (indiscernible - simultaneous speech) review in March?

MR. COLE: One way to get the reports in is to not carry over the funding. I imagine that that would provide an incentive to get the reports in. That's up to the council.

MR. PENNOYER: Can we delay the decision on carrying the funding over until the March meeting when we get the report or can you tell us what the urgency is in -- Dr. Montague.

DR. MONTAGUE: Mr. Chairman, for almost every one of our projects, we'll be laying off the people February 28th. So, they won't be available to finish the work. Even though the money's available to finish the work, the people will not be.

MR. COLE: So what's mean?

MR. PENNOYER: Ms. Bergmann.

DR. MONTAGUE: It means that we would have to take the money and hire someone else to finish it.

MR. PENNOYER: Well, I guess I don't fully understand. You mean that if the project had been completed on time, we wouldn't be paying those salaries then? You have people, because they don't have data yet, are sitting waiting for the data?

DR. MONTAGUE: That's correct. They were budgeted to analyze and incorporate hydrocarbon data and they didn't have the hydrocarbon data, then they wouldn't be expending that staff time

and another factor that played into this and I don't really mean to -- I don't mean to make an issue of it because the symposium was absolutely key, but that was not a task that any of the investigators were tasked with and it was not in anybody's contract so on an already tight schedule, an additional two or three weeks was more or less taken away and I think it was the right thing to do.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I'm not criticizing these people necessarily. I'm simply talking about process and whether somehow, we, ourselves, have been remiss in our management of these projects. That's what I'm getting at. And I want to make that very clear that I'm not criticizing these people. But by the way, who was responsible for furnishing the hydrocarbon data? As long as, you know, it's been mentioned.

DR. MONTAGUE: Mr. Chairman, in some cases contractors; in most cases, NOAA.

MR. MORRIS: Mr. Chairman.

MR. PENNOYER: It's all (indiscernible - unclear).
Would you care to comment on that, Mr. Morris?

MR. MORRIS: Hydrocarbon data was one of the excuses for a few projects that delayed them from getting their final report, that's true. We didn't get final samples analyzed until, perhaps, November of last year but we made a mistake in the management of this -- slightly a mistake to Mr. Cole's earlier

question. That was when we planned these programs for final reports, we wanted them due in February. We didn't say the first of February or the end of February. The problem we ran into later was once we get the final report in from the investigator, we want to give it to the chief scientists, then we have it peer reviewed, then it has to come back to somebody to make changes, if it's required, to the final report before it goes on the shelves at OSPIC and that's the problem, I think, mostly that we're running into on these projects is allowing the people to continue on with the work for the peer review process for a month or two months.

MR. PENNOYER: Ms. Bergmann.

MS. BERGMANN: I would direct the Trustee Council to it may be the next part of your package. That's a February 3rd memo from Dave Gibbons to the Restoration Team regarding the quality of final reports and this lays out the procedure as we -- the Trustee Council talked about, I think it was at the last meeting, that indicates that when there was concern raised about the quality of final reports that there will be interim agency review before the reports are reported to the chief scientists for peer review and that the chief scientist will be responsible for a final sign-off authority, making sure that peer reviewer comments have been taken into account and the memo indicates that the continuation of work in 1993 in the same subject area or any other work performed by the principal investigators is contingent upon satisfactory progress as determined by the chief scientist

toward completion of a credible final report. And it further states that it's Trustee Council policy that they will take all actions necessary, including discontinuation of funding and/or a recommendation for removal of PIs to ensure quality final reports. So, I think some of the concerns that you've raised hopefully should be taken care of in this memorandum.

MR. COLE: Well, I -- Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I'm not certain that they are because obviously, we don't have the reports and we have the '93 work plan and adopted and yet that report says these projects are contingent -- the '93 work plan projects are contingent upon satisfactory completion of the '92 projects but the Trustee Council has never been presented with that type of information so, we can make the decision whether we should discontinue some of these '93 work projects, right?

MS. BERGMANN: Mr. Chair.

MR. PENNOYER: Ms. Bergmann.

MR. PENNOYER: That is something that I believe the Restoration Team discussed at the last meeting and Dr. Gibbons could probably elaborate on the process that was discussed for...

MR. PENNOYER: Dr. Gibbons.

DR. GIBBONS: Well, as the memo states, satisfactory progress towards as determined by the chief scientist. The process of peer review and final reports and such is more lengthy

than we had anticipated and so, hopef--- I guess I can leave it at that. That's about through peer review and then back to the principal investigator and then making those changes then back to the chief scientist again. It delays...

MR. PENNOYER: Could we leave this -- at the March meeting, we'll ask for a review of where we are in these projects so we have some idea of if we're talking about a week or two to finish it off or six months or two years. Mr. Brodersen.

MR. BRODERSEN: Mr. Chairman. What was intended, I think, here by what Mr. Gibbons and Ms. Bergmann were just saying is that if we do not get satisfactory progress in the next couple of months on these final reports, our intent is to come back to you and ask you to stop projects. It's not that they would never start; it's that we would ask you to stop them. I think it's a pretty powerful club over folks that want to get out in the field again.

MR. PENNOYER: And you will give us a progress report on how you're doing on that process as of the March meeting and then anything further you need to do after that?

DR. GIBBONS: At the March meeting, perhaps on the list here, we can have an expected final report due date and that might...

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Let's talk about that a little bit. You mean to say in two months, we're going to see about cancelling

these. One of the things that was presented to us and we approved these projects, it is necessary that we approve these projects so that they can make the contractual arrangements, get the boats, get the -- hire the people and make all these contracts and so that's no remedy two months from now after they've made the contracts and financial commitments for the '93 work plan to say well, we'll cancel them because we have no effective means of cancelling them at that time. I don't mean to argue about it but I just don't accept that as a satisfactory explanation that we will talk about cancelling these things two or three months down the road.

MR. PENNOYER: Ms. Rutherford.

MS. RUTHERFORD: I think, Mr. Chair, what we fully expect is that the threat of our capability to recommend them being cancelled is enough to insure that they will respond to the chief scientists and peer reviewers' concerns about the quality of their reports. And I think that that's the reality of what we'll see.

MR. PENNOYER: Could we have a progress report at the March meeting as to how you're proceeding on getting a final report date for these different projects so we'll have a general idea at that point how far -- how bad it might be and do you need a formal action by the council at this moment?

MR. BRODERSEN: (Inaudible negative response.)

MR. PENNOYER: You don't.

DR. MONTAGUE: Mr. Chairman. Yes, we do.

MR. PENNOYER: Well, I've got some shaking their heads no and some yes. Approval of the carry over funds.

DR. MONTAGUE: Well, I mean we have to have...

MR. PENNOYER: Or is that already approved?

MR. BRODERSEN: Oh, formal action on the carry over, I'm sorry.

UNIDENTIFIED VOICE: Carry over, sure.

MR. PENNOYER: Can I have a motion to carry over the funds pending possible cut-off later if we don't get satisfaction on the dates -- the review of the dates for completion on the projects.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Carry them over until when?

MR. PENNOYER: Until we cancel it, I suppose. We have to carry over passed March 1st, right? That's what we're talking about.

DR. MONTAGUE: That's correct.

MR. PENNOYER: And then after that point if we are not -- they're not living up to our policy, then in fact, we could recommend they be cancelled so we don't carry them on forever.

MR. COLE: Being somewhat flippant, that threat has not been enough to encourage them to complete their reports so far but nevertheless...

MR. PENNOYER: I guess I agree with you. I have trouble with broadswording (ph) the thing by cutting it off now

and later, losing something we're sorry we lost.

DR. MONTAGUE: Mr. Chairman, the Attorney General was indeed correct. There are many cases where cutting off the project after you've committed half the funds would be ridiculous but there are cases where they wouldn't have committed much and it would make sense. And in those cases where there have been big commitments, then the threat and the realistic threat of being able to change the investigator or the key people on the project would catch my attention.

MR. PENNOYER: Do I have a motion to carry over funds until such time as we decide to cancel them, pending also a review at the March meeting of where we stand on these projects of when we can expect a final report?

UNIDENTIFIED VOICE: So moved.

MS. BERGMANN: Second.

MR. PENNOYER: Is there any objection to that?

MS. BERGMANN: I do have one clarification, Mr. Chair. I'd like to remove bird study number six from this list.

MR. PENNOYER: What happened to bird study number six?

MS. BERGMANN: It was -- it shouldn't have been on the list in the first place. So, we just need to remove it.

MR. PENNOYER: It is completed then?

MS. BERGMANN: It is going through the -- no additional funding is required as of March 1st.

MR. PENNOYER: Thank you. Any other additional corrections to the list? Dr. Gibbons, you might bring those back

to the March meeting as well. I have one other financial procedure thing that I don't know how we're going to get to it but we did receive in the mail a review from our financial steering committee, financial statement and I don't know -- what's your druthers? Put that off until the March meeting?

MR. COLE: Put off everything we can.

MR. PENNOYER: Do I hear a ...

MR. COLE: At this hour of the day, yes.

MR. PENNOYER: ... motion to put the financial statement on the March meeting?

UNIDENTIFIED VOICE: So moved.

MR. PENNOYER: I know I've got some questions about how it's going to operate. I'd like to review it at some point. Any objection?

MS. BERGMANN: Mr. Chair.

MR. PENNOYER: Objection?

MS. BERGMANN: Before I vote to do that, I would like to point out that on the information that discusses the Restoration Team and work groups, there is a category that says amount authorized. And I believe, unless I'm mistaken, that that is the total amount authorized for a 12-month period which then does not correspond to the expenditures during the first seven months, so I would -- I would like to ask the financial committee to add another column on that to show us what the seven-month budget was so that we can more clearly compare that to what the expenditures were and if they could do that at the next meeting,

I would certainly support...

MR. PENNOYER: (Indiscernible - unclear)

UNIDENTIFIED VOICE: (Indiscernible - away from mike)

MR. PENNOYER: Any problems, Trustee Council? Okay, could we move on then? The next item is the "Operating Procedures for the Public Advisory Group." Dr. Gibbons, is this something we have to do here?

DR. GIBBONS: It's been deferred several meetings. The concern is the alternate voting and -- but I also heard concern here this morning that the Trustee Council expressed maybe perhaps the needed direction should be placed in the operating procedures and either by expanding the charter or their operating procedures and then -- so I'm not sure what action the Trustee Council desires to take on this.

MR. PENNOYER: Is there a proposal at this time to deal with the alternate question? Do we need to consider that and bring it back at the March meeting and make a decision at that point?

DR. GIBBONS: If the Public Advisory Group is not going to meet before the March 10th meeting, we could work with the operating procedures and bring them back at the March 10th...

MR. PENNOYER: And if they were, they could have a quorum present to take action?

DR. GIBBONS: We would -- yeah, we'd work with them on -- telephoning them and see if a quorum would be present before we call a meeting. That was kind of discussed at the last

meeting.

MR. PENNOYER: Is it acceptable to defer further action on this until the March -- Commissioner Sandor.

MR. SANDOR: Yes, Mr. Chairman, I think that's fine but there was a paper. I don't know whether this was prepared by staff or not, but Public Advisory Group intent that clarifies this language and I would just urge that that be considered as an inclusion in that -- that came about six or eight weeks ago.

MR. PENNOYER: We would wish to internally review this then before the March meeting?

MR. SANDOR: Yeah, before the March meeting.

MR. PENNOYER: This won't be public distribution; this will be something we will internally review?

MR. SANDOR: Well, I think what it simply does is explain the -- clarifies the Public Advisory Group's role in advisory activities and deal with this question that was raised this morning on the Public Advisory Group having meetings and seemed to me to clarify this. I don't know who prepared it. It looks like it was done by staff but it seemed logical to me.

MR. COLE: Seems more confusing than it is clarifying.

MR. SANDOR: Well, what it says is that Public Advisory Group will not be soliciting public comments unless the Trustee Council approves the action.

MR. PENNOYER: I think this is the type of guidance that the Public Advisory Group is looking for. I'm a little loathe to do it without spending a little more time reading it...

MR. SANDOR: No, I wouldn't do that. I'm just saying that I'd incorporate that...

MR. PENNOYER: This would be internal for our review at the March 10th meeting.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: I have a lot of reservations about allowing members of the Public Advisory Group to nominate alternates at their meeting. My view being that these people were selected because of their special abilities and qualifications and experience and to allow them to delegate their responsibilities to someone whom we have had no ability to evaluate their special degree of expertise, if you will, it seems not consistent with the theory of their selection and the composition of the Public Advisory Group. So, whatever that's worth....

MR. PENNOYER: Mr. Cole, I think we're probably going to defer action on it until March and I think several of us might agree with you. There needs to be a different way of dealing with alternates than that particular proposal, but it's on our list.

MR. COLE: Thank you.

MR. PENNOYER: Thank you. The next item on the agenda is the "Status of the '94 Work Plan Framework" and the following item is the Prince William Sound Oil Spill Recovery Institute. I know that Gary Thomas has tried to get on this agenda for two or three meetings now and this is a group that's been created by law

whose goals parallel many of the things we're interested in doing, so it would be nice to have Mr. Thomas to do that and I may either take him right at the start of the public testimony period or that would be one option of doing that. Can we get a quick review on the '94 work plan framework? Dr. Montague.

DR. MONTAGUE: If we could have the lights off, please.

(Pause) As you'll remember, last year with the '93 work plan back in May or June, we presented a set of assumptions to the Trustee Council and we had those approved and worked our way through the process and developed a Blue Book, the draft '93 work plan that we feel really didn't track very well what the council thought they were getting into when they approved the assumptions.

So, for 1994, we hope to get around that by not presenting the assumptions until we can get some sort of -- as Brad Phillips would say, a thumbnail sketch of what it's going to mean in terms of a '94 work plan if you approve these assumptions. So, based upon that, at several meetings in January, the Restoration Team, the chief scientist, five peer reviewers that sort of had a programmatic view of things, that looked at things beyond just their individual species of concern and the chairs of the '9--- or of the restoration planning work group came together to review what the injuries were, what the status of recovery was for each injured resource or service to consider what was approved in '92 and '93 and what logically that might affect the approval of '94 projects and all the 460 ideas

that we had in our mind from the public and agency comments that came in at the beginning of the '93 work plan process. And then once this group finished their discussions, they passed it on to the '94 work group who flushed it out and where possible, incorporated the results of the symposium which is the '92 findings.

So, inside the framework that you'll be getting on March 2nd, the introduction is basically a summary of what I've just said. The assumptions will be presented there. We're not going to get into what those assumptions are at this time and the schedule. And then for each resource, each service and for various support projects, we have a short statement on the state of recovery, the title, a one or two-sentence description and the cost. It's a working document and what I mean by that is it will be the basis for you all's initial decision but it will not be a document that's released to the public. And we think it's very important to get some direction early on. Obviously, any kind of organizational process works best when effort is not put into directions that don't finally pan out for effort.

This meeting we've planned for March 10th, we're calling it a workshop and by a workshop, we mean -- or hope to mean that unlike the format we have here that we're all sitting at the same table, the Restoration Team and the Trustee Council.

It will be a public meeting. We do not intend to have public comment at that meeting. Our feeling is that we've long needed a workshop with you all, an opportunity to work more closely,

especially at these initial stages and a little bit selfish with your time on that. So, during this workshop, you'll be given this framework document. You can see what the assumptions are; you can see what the projects would be in it and what the total cost would be if you simply approved it as it is. At that meeting, based on simple titles and costs, we would hope that we could delete particularly offensive projects, add any projects that aren't there and most importantly, try to pin down whether we're talking about a ten million dollar program or a 50 million dollar program.

Then, from whatever the Trustee Council and the Restoration Team complete during this workshop, the outcome of the workshop and the changes to the framework will be the basis for the '94 work plan. We hope that it will be somewhat more informative than the '93. Certainly, if projects that are likely -- with a smaller number of projects, projects that are likely to go ahead to completion, we can devote more time into making those fewer descriptions better. Also, unlike previous years, we're suggesting that we not have a Trustee Council meeting specifically to approve the draft, that it can be approved by memorandum or simply a verbal telephone call from the administrative director.

The public comment period, May 17th to June 30th. This would be the opportunity for the public and the Public Advisory Group to change projects that are in there, to add projects or to delete projects. And relative to interaction with the Public

Advisory Group, you know, certainly perhaps we could have more in the development of the '94 work plan than we currently show. But our interpretation, basically, is the Public Advisory Group is the public and when documents are ready to go the public, they go to the Public Advisory Group and we haven't generally been giving Public Advisory Group the documents that aren't intended for general public distribution.

Okay, and then the final approval of the '94 work plan would be August 10th and we would expect to have revised our recommendations based upon the public comment, the Public Advisory Group comment and another thing that we expect to have here is the comment on the long-term restoration plan. And we would feel that there shouldn't be any projects in this final work plan that aren't in the draft long-term restoration plan or if they are in there and have negative public comment, that they not be included in '94. And we hope that each Restoration Team member can go back to their council member prior to this August 10th meeting and basically show where there is general agreement.

And if that's successful, we would hope that during the meeting, those projects for which there is unanimous agreement basically could be passed and the discussions would focus those where there are problems or contentions.

And the whole idea of this process is to make it smoother and more efficient than in previous years and as I began thinking the past few months when I've been thinking about '94 and looking back on '92 and '93, I recollect a childhood

experience that reflects on this. I grew up in Kentucky. When I was 10 or 11 years old, I was walking down this dirt road and it's hilly country and on each side of the road; there's brush lines that keep the area from eroding and on the uphill side, there was a brush line and a mule team kind of rolled over the brush line and kind of flopped down into the road, pulling a plow behind them. A few seconds later, this old farmer came through and seeing me there, seemed to feel he had to offer an explanation and he said, "That's the second time today I fell off that hill. I'm not going to plow up there anymore." So, after '92 and '93, I think the Restoration Team would not want to plow that field anymore. That's it.

MR. PENNOYER: Thank you. Any questions of Dr. Montague?

MR. COLE: How about a comment?

MR. PENNOYER: Any comment? Mr. Cole.

MR. COLE: Dr. Montague, you'll recall that the public comments on the '93 work plan raised often the issue of the advisability of having these projects selected essentially or largely by agency personnel. And has any action been taken to respond to that what might be called public concern in the '94 work plan?

DR. MONTAGUE: Okay, if I understand your question correctly, it's not the question of whether work should be conducted by an agency or a private firm but whether the public or non-agency staff choose the projects that what appear before

the Trustee Council?

MR. COLE: Yes.

DR. MONTAGUE: No, we have not made any change on that and obviously, the selection of projects is with you all who are agency representatives.

MR. PENNOYER: Does that answer it?

MR. COLE: Well, it's an answer obviously.

MR. PENNOYER: I think you may hear some more about that.

DR. GIBBONS: Mr. Chair.

MR. PENNOYER: Dr. Gibbons.

DR. GIBBONS: This process hasn't been fully flushed out by the Restoration Team and we'd like to present more thoughts on this to you on the March 10th meeting on how we will deal with some of these items.

MR. PENNOYER: Any further comments before the March 10th meeting when we will be reviewing this plan? Okay, the next item on the agenda was Prince William Sound Oil Spill Recovery Institute. We're past the time we said we'd start the public hearing. Gary, do you want to hold on? Perhaps, I can -- I think what we'll do -- you need a few minutes to set up the teleconference? I think we'll take a break, set the teleconference up, come back. I'll introduce this. You'll be the first one to testify if you can do it if you can do it a reasonable period of time and I have information that at least two teleconference locations will not be able to stay on line

very long so we'll need to get to them today, but I think we'll do the Oil Spill Institute first and then proceed on to the rest of the public testimony if that's acceptable.

DR. GIBBONS: Mr. Chair?

MR. PENNOYER: Dr. Gibbons.

DR. GIBBONS: One other item. Under the '93 work plan, there was a Prince William Sound recreation proposal that we didn't get to. Can I suggest that this be deferred 'til the March 10th meeting?

MR. PENNOYER: You may suggest that. Is there any objection to deferring that to the March meeting? Mr. Cole, you had a comment?

MR. COLE: No, I was just going to say that Mr. Thomas, I think, we would afford him ample time to make his presentation. even if he has to take a little recess while we wind up some of the hearings on the out stations, on the teleconference.

MR. PENNOYER: Thank you. We'll do that. Okay, we'll take a ten-minute break.

(Off record: 5:07 p.m.)

(On record: 5:18 p.m.)

MR. PENNOYER: Okay, I'd like to go ahead and get started. This Trustee Council went all day. This is a meeting of the Exxon Valdez Oil Spill Trustee Council and I have here with me Charles, Cole, Attorney General of the State of Alaska; John Sandor, Commissioner of the Department of Environmental Conservation; Jim Wolfe who's sitting in for Mike Barton who had

to leave late this afternoon from the U. S. Department of Agriculture, Forest Service; Pam Bergmann is sitting in for Paul Gates from the Department of Interior; Carl Rosier, Commissioner of the Department of Fish and Game is here; and I'm Steve Pennoyer from the National Marine Fisheries Services, Department of Commerce.

We've scheduled a public hearing for the period from 5:00 to 6:30. I'm sorry we got a late start. Our agenda was very full and we did not get done until a little bit after 5:00 and then we had to set the conference up. I've been requested to make a few comments. First of all, Trustee Council members, please wear your microphones high on your tie so that the public can hear us when we comment and it gets on the recorder. Additionally, those wishing to testify would please state and then spell their names for the record when they testify.

We're going to start tonight with Gary Thomas, Prince William Sound Oil Spill Recovery Institute. Gary has been trying to get on our agenda for a couple of meetings and we've been so tied up he wasn't successful. We want to make sure he's got the time to talk to us about this. The Oil Spill Recovery Institute, as he will testify to you, was created by Congress in the Oil Pollution Act of 1990 and has certain in its mandates direct ties to the work that we do so it's quite appropriate that Mr. Thomas be here to talk to us tonight. And immediately after that, I'm going to go around the teleconference and ask anybody who has to testify to do so. If they have to leave and I know there's some

people in the audience have requested the ability to come forward early because they have appointments as well and I'll try to honor those. Before we start that process, Dr. Gibbons will give a brief summary of what we've done today so far for everybody's edification. So, Mr. Thomas, if you could go ahead and give us your review, we'd appreciate it.

DR. THOMAS: Oh, thank you very much. Is this working?

MS. EVANS: Yes.

DR. THOMAS: I wish to thank the Trustee Council and the Restoration Team for allowing me the time and opportunity to speak today. I want to point out that I've given you each a handout on the Oil Spill Recovery Institute with some attached correspondence which will bring you up to date on some of the status of the Institute. I'm here representing the Oil Spill Recovery Institute Advisory Board. I'm going to make a quick review of the highlights of the legislation in OPA '90, section 5001. I'm going to describe the progress that we've made towards establishing the Oil Spill Recovery Institute infrastructure and what we've acquired as far as appropriate funds and plans for future funding.

Okay, the Oil Spill Recovery Institute was created by OPA '90 with the purpose and mission -- actually, two purposes and missions. One was to conduct research in the best available techniques, equipment, materials for dealing with oil spills in the Arctic and sub-Arctic marine environment. And second, was to complement federal, state damage assessment efforts on long-term

damage assessments for the Exxon Valdez oil spill. The highlights of the legislation were that the board of the Oil Spill Recovery Institute would be composed of a combination of federal, state, public, Native, university and private, non-profit research center members. The board composition is unique in this respect because it involves public and Native communities as voting members from the region affected by the oil spill. Advisory board basically determines all the policies for conducting, supporting research through contracts and grants that are only distributed on a nationally competitive basis.

The Institute is administered by the Secretary of Commerce through the Prince William Sound Science and Technology Institute. Some people have thought that this makes it a NOAA organization but NOAA really only has one vote on this board for making decisions. The Institute is set up to acquire a data base, both in library form and in geographic information form to make available to the people within the region of the spill affected area. Information concerning their natural resources and those resources or those services that are affected by changes in the natural resources. The appropriations for the Institute have been two- -- there have been two appropriations made. One was in 1991 -- or 1990 which was \$100,000.00 and in 1992, Congress appropriated \$500,000.00. To date, only \$100,000.00 has reached the Institute and that was last spring and with that, we set up the board and set up the scientific community. Attached to this is a list of all of the members.

There are some people from the Restoration Team that are also members of the Oil Spill Recovery Institute Board, representing their particular agencies. At this point, the legislation authorizes five million dollars for the first year which is 1990, two million dollars for following years up to ten years which was a total of 23 million over ten years. There are now -- the original agreement in OPA was that the funding for this would be from the TAPS fund. In contacting people with the TAPS fund last week or actually it was last month, they said that the funding was going to be available to fund the Oil Spill Recovery Institute and -- but it would be transferred to the new oil pollution liability fund back in Washington, D.C. We've essentially talked to NOAA and to the new Pollution Fund Center and this money will be -- there will be surplus funds available for the Oil Spill Recovery Institute but they have to go through a NOAA appropriation to receive them. So, at this point, sort of something that Senator Stevens set up originally. He set the system up so it wouldn't be competitive with existing programs has really occurred. Now, the Oil Spill Recovery Institute is competitive with other NOAA grants and so, what we're seeking here is some support from the Oil Spill Recovery Institute. There's a letter in there from Senator Stevens, saying that he supports the cooperation between the trustees and the Oil Spill Recovery Institute to work cooperatively on damage assessment programs in the future.

What I would like to do is make a proposal to set up a

memorandum of understanding between the Oil Spill Recovery Institute and the trustees and I'd like to end, sort of, saying that OPA '90 points out that there was Alaska exclusion. This is on the end of your document here, "Parallel to establishing the Oil Spill Recovery Institute, the Oil Pollution Act of 1990 also establishes an authorized funding for six regional oil research centers. Alaska is specifically excluded because of the authorization for the Oil Spill Recovery Institute." So, this is basically the institute that was designed through the legislation and approved by Congress to get in and to do some research on these new technologies and answer a lot of the questions that we have after the oil spill. In addition, it was to cooperate on long-term damage assessment work with the trustee - -- with any state or federal agencies which would qualify as trustees since it was set up -- the Trustee Council was set up afterwards. So, I think I'll end my presentation now and leave it to the Trustee Council to consider my request of a memorandum of understanding.

MR. PENNOYER: Questions of Dr. Thomas? Gary, could you very briefly say having reviewed our work plans how you feel you would fit in with our work plan as you see our work plan and the restoration plan developing? I know you've quoted the legislation and what-not, but just very briefly comment on that?

DR. THOMAS: Well, there's two things that the Oil Spill Recovery Institute Advisory Board passed. They passed two resolutions. One was to carry over \$400,000.00 in funds for 1992 and 1993 and spend them on an educational outreach program and

then to spend some money on setting up and working and developing a data base or some sort of library system to document information. This could be as far as some sort of cooperative program to help finish up some of these publications and get them in the peer review literature. It could be something where we hold programs within the communities affected on what the process has been and what is being done and what kind of damage assessment that we do see. There's a lot of damage assessment work that's been done outside of the Trustee Council. There's all of the private damage assessment; there's also NSF involvement. We'd like to pull some of these things together and probably create a more comprehensive program. The other thing is the educational outreach and the oil spill institute is also mandated to actually look into the human services aspect to a much greater extent than Trustee Council has defined their duties. And so, what it would do is create a much broader approach and more of a public outreach program to get information transferred within these regions or the communities in Prince William Sound, Kodiak and Cook Inlet.

MR. PENNOYER: Do you see yourself as being connected with sort of an organization of long-term and monitoring programs and things like that?

DR. THOMAS: Certainly, I see that there's a potential for the Oil Spill Recovery Institute to get in and support those kinds of concepts, but you know, I am basically representing the advisory board and we haven't brought that before the board and

the board would have to pass resolutions regarding that. The one thing about the board, it did establish bylaws which establish Robert Rules of Order so there's majority votes for most issues and two-thirds majority -- or votes for other issues. So, it's got an orderly fashion. Actually, you gave me the suggestion.

MR. PENNOYER: Are there further comments or questions of Dr. Thomas? You may wish to remain and -- Commissioner Sandor.

MR. SANDOR: Do you have a copy of the memorandum of agreement you had asked -- you would want us to sign?

DR. THOMAS: I'm not asking to sign a memorandum of agreement right now. I just would like maybe a person appointed from either the Restoration Team or the Trustee Council that I could work together with because this would have to pass between the board -- advisory board and the Trustee Council, once we established...

MR. SANDOR: You might draft one if you want one...

MR. PENNOYER: Would it be appropriate to consider having Dr. Gibbons work with Dr. Thomas and come back, perhaps, at the March meeting or the next time around with some further understanding of how we might cooperate on our side, of course. I recognize your board has to vote but we would probably want specific tasks with some agreement of how the funds would be spent if, in fact, they were obligated from the settlement. So, I don't know how you'd work all that out and I'm not sure yet exactly what your role -- proposed role would be. Monitoring,

you mentioned, and long-term monitoring seems to be part of that but I don't think your group has voted on that yet, so I'm not sure which comes first, chicken or egg, but...

DR. THOMAS: I can certainly work on an MOU and I have very close contact -- we have an executive committee that has limited authority to go ahead and push this. They've already passed a resolution which mandates me to take a look and develop cooperative agreements and memoranda of understanding with entities such as yourself. So, I don't think there will be any problem if you've designated that I can work with Dave Gibbons on this, I'll be glad to do that.

MR. PENNOYER: Is that an acceptable procedure with the Council? Then bring something back for us to look at.

DR. THOMAS: Excellent.

MR. PENNOYER: Thank you very much for coming up today.

DR. THOMAS: Thank you.

MR. PENNOYER: Glad you finally made it and we finally found the time to let you in. Okay. Shall we continue on down the list then? I believe there are -- Dr. Gibbons, do you want to go through your review briefly of what we did today so far?

DR. GIBBONS: Okay. Briefly, the first motion passed by the Trustee Council was to move ahead with the screening of the administrative director applicants, both on the state and federal side, to see if they all meet the evaluation criteria that was specified in the job announcements. The U.S. Forest Service will do the work on the federal side and the Alaska

Department of Fish and Game will screen applicants on the state side.

The second motion passed was to defer further discussion of the restoration organization until the March 10th meeting or soon thereafter.

The third motion is to resist the willing seller threshold criteria approved by the -- previously approved by the Trustee Council and discuss at the next meeting of the Trustee Council the pros and cons of a possible condemnation of lands.

The next motion passed, send a letter to the -- to all landowners in the oil spill affected area to see if they are willing to participate in the habitat protection process that was laid out -- identified in the February 16 package notebook. And this letter would go to all applicants, not those just identified in the package.

They specified to continue to address the negotiation options paper that was passed out today and negotiation process development for the March 10th Trustee Council meeting. So, the Restoration Team is to work more on those two options -- or the four options of the negotiations and the negotiation process and specify any further work on that.

They also approved to begin comprehensive data collection and analysis for the oil spill-affected area and that includes all lands, not just the imminently threatened lands.

The Trustee Council moved to keep working on a restoration plan with five alternatives as was presented at the

Trustee Council meeting today.

Considering '93 projects, project 93011, the river otter/Harlequin duck development of a management plan, that was not recommended for inclusion in the '93 work plan. Projects 93016 which is the Chenega Chinook and coho project, 93024 which is the Coghill Lake project and 93030 which is the Red Lake restoration project, were deferred until the March 10th Trustee Council meeting.

The Public Advisory Group projects, five total, projects number one which is the fisheries technology center for Kodiak and project number two which is the archeological museum, were deferred until the March 10th meeting and the Restoration Team was also to bring information concerning the other two archeological museum projects that were submitted for inclusion in the 1993 work plan. Project -- Public Advisory Group project number three, the herring project, was not approved for inclusion in the '93 work plan. Project number four, the coded wire pink salmon project, and project number five, the coded wire chum/coho/chinook project and sockeye project, were also not approved for inclusion in the '93 work plan.

The 1992 projects that were not completed prior to the February 28th date letter, the Trustee Council wants a progress report on the status of those 26 projects at the March 10th Trustee Council meeting and they want a detailed status of really where the progress is in regards to those projects.

The Trustee Council approved to defer the financial

report discussion until the March 10th meeting of the Trustee Council.

The Trustee Council approved to defer the operating procedures of the Public Advisory Group until the March 10th meeting. The Trustee Council deferred the project of Prince William Sound recreation proposal until the March 10th Trustee Council meeting. And just minutes ago, the Trustee Council wants the administrative director to work with the acting director of the Prince William Sound Oil Spill Recovery Institute to develop possible cooperative agreement.

MR. PENNOYER: Thank you very much, Dr. Gibbons. We've had a couple of requests here that both Chenega Bay and Valdez, if they're on the line, may have to go off the line early because of other commitments. I'd like to therefore ask those two sites if there's anybody there who wishes to testify, starting with Valdez. Anybody in Valdez that cares to testify tonight? Already off the line. Chenega Bay? Not on line. Okay, fine. I also had some requests here from the audience for people who have immediate plane conflicts they've got to meet and it looks like everybody in the room, practically. So, I'll start with Mr. Groh.

MR. GROH: I'll try to be very brief.

MR. THOMA: Mr. Pennoyer, can you read me?

MR. PENNOYER: Yes, I can.

MR. THOMA: Mr. Pennoyer, this is Mr. Thoma in Juneau. I have been here since before 5:00 and this is what this is set

up for is a teleconference. I'm sorry, but I've just got a few comments. I have to go also.

MR. PENNOYER: Okay, we'll get to you after Mr. Groh then.

MR. THOMA: Thank you, sir.

MR. GROH: Mr. Chairman, my name is Clifford Groh, G-r-o-h. I'm a local attorney. I've practiced in Anchorage for the past 40 years. In addition to being an attorney, I've engaged in the subdivision development business in Anchorage since the early 60s and have developed a couple of subdivisions. Huntington Park out by West High School and TuxSyndey (ph) Park upon the hillside. My family and I own two large parcels in Prince William Sound. I started in the early 80s to decide to purchase property in Prince William Sound and develop it. One parcel is at Ellamar, Alaska where we have a 210-acre parcel and I've subdivided that into 157 lots of one acre or larger and I've been selling those lots. Just to give you an indication, that's a map of the subdivision and the yellow are the lots that have been sold. I'm actively engaged in that and I advertise regularly in the Valdez paper and in the Anchorage paper on selling lots. This was a mining property. Some of the buildings from the early 1900s are still there. I've put in all the roads at a substantial cost. I have a dock; I have two lodges operating on the property. They're not my lodges. They belong to other people who have purchased land from me. There will be one other lodge started this year.

The other parcel is on LaTouche Island and it's at a place called Horseshoe Bay. This is the LaTouche townsite. This is Chenega over here. This is Horseshoe Bay, this round shaped bay. There's a marine state park on both points of the bay. I own the inside of the bay. I have subdivided that in this fashion. That's the property but I have never sold any lots. In other words, it's owned by the family and no lots have been sold. I don't need to tell you federal gentlemen what's happened in Colorado or what's happened in Arizona when later down the road, you decide to try to acquire inholdings. They cost a tremendous amount of money.

My purpose in coming before you today is to suggest to you that the charts that you saw which say that habitat protection is the most important item may not be as important -- I mean when you're going to make that evaluation, I would think that the guy who's actively developing, who is bringing in hundreds of people is the guy that you ought to be dealing with first and you ought to be dealing with him early. Otherwise, you're going to have many, many parcels in private ownership. Now, Jay Hammond once said, "The ultimate lock-up is private ownership." I was on a boat in Prince William Sound one time when a gentleman from the U.S. Forest Service and we passed some particularly beautiful land and I said "Wouldn't it be nice if people owned that." And his comment was, "Everybody owns it." And I suppose that that's one of your principles. Well, if it is, I urge you to act quickly because people are going to sell

these lots and get them into private ownership and 15 or 20 years from now when you try to buy them, it's going to cost a great deal more money. Since there is a marine state park around Horseshoe Bay, since no lots have been sold, nobody has ever approached me with saying, you know, "Would you be interested in selling this? Would you be interested in having us acquire it so that it doesn't get into private ownership, into the hands of 200 people or 159 people?" Nobody has ever approached me. I understand they've done this study which I heard this morning, but I urge you and I -- from my standpoint, I'm either going to sell it to a cannery; I'm going to sell it to a number of private owners or I'm going to do something with it. I'm not going to hold it forever and I'm not sure that I'd sign an agreement that will say, you know, I'll give you the right of first refusal, that if I ever decide to sell it, I'd say, well, I've got a potential buyer right now.

So, my urging you, my plea to you is let's move ahead and endeavor to dissolve those places that are in private ownership. I'm the only person in the Sound who's actively developing, who's been approved by Housing and Urban Development, who's got property reports filed, who gives a complete disclosure statement to the buyers at Ellamar. There is one other private developer at Irish Bay who has one half acre lots and Eyak has done some private development on Hawkins Island, but we're the only developers in Prince William Sound at the present time, to my knowledge. Thank you.

MR. PENNOYER: Thank you. Questions of Mr. Groh? Thank you very much, sir.

MR. GROH: Thank you.

MR. PENNOYER: We'll go to Juneau now and let Mr. Thoma testify. He has an appointment to keep too.

MR. THOMA: Thank you, Mr. Chairman. This is Chip Thoma, T-h-o-m-a from Juneau, Alaska. Number 2, Marine Way, Number 204, 99801. Real brief comments. I am very encouraged by the group, the public participation group's recommendation to purchase 380,000 acres of land throughout the Gulf of Alaska, Afognak, Prince William Sound and Kenai. I think this is definitely the right course that the council should be on and to consider. I have also read today, just for your information, an article by John Balzar, the L.A. Times. I'm encouraging Mr. Balzar if he's in the audience or anyone who -- such as the Associated Press that has the ability to send stories nationwide on the wire to move on this story about the Trustee Council and about the inactivity that so far has characterized it. I think it's an incredible story and I hope that within the next few months that the Congress, the nation are aware of some of these very important lands that seem to be always slipping out of our grasp. I hope that the council starts moving on this.

I think that it's gone years and years without being properly addressed and again, I think this crazy unanimity thing that you folks have as far decision making has got to be changed and my last comment is just a very slight criticism of Mr.

Williams -- Mr. Lew Williams. I know he can't take too much criticism but Mr. Williams' comment that we should again investigate land trades and I just don't think that there are any trades available. The Native Claims Settlement Act has pretty well determined what the entire course of land ownership patterns and the trading feasibility of lands are in this area. Those are my comments. I encourage us to do habitat acquisition. I would love to see 80 percent of the remaining monies which I understand are less than 600 million that those -- at least 80 percent of those monies go into habitat acquisition. I think that's the proper course and I'll end my testimony there, Mr. Chairman.

MR. PENNOYER: Thank you, Mr. Thoma. Questions from the Trustee Council? Thank you very much. We'll move back to Anchorage now and you sir, and then...

MR. EALUSKA: Thank you, Mr. Chairman. My name is Ralph Ealuska. That's E-a-l-u-s-k-a. I'm here as the vice president of Seal Bay Timber Company and the president of the Akhiok/Kaguyak. And in your package, that's referred to as the Alitak Bay property. It's a lost opportunity -- what you refer to as lot opportunity and imminent threat up here at Seal Bay. I just want to first comment that we first wrote to the -- responded to your request -- comment on your 1993 work plan. And then as a comment back to you, we offered up these properties for you to evaluate for acquisition. I want to comment that the -- and I think the staff has done a wonderful job in putting these pieces of information together to show you. I think even if we

did it ourselves, we probably couldn't have done a better job. There are some corrections in terms of sizes but otherwise, they're all relatively accurate. And so, I encourage you to move quickly with the habitat acquisition portion because the world does move on. We do have harvest plans up there in Afognak. There's contracts that are let and if there is definite interest there to reacquire that property then we do have to get to the table and see how close we could come in terms of what our expected interests are at the end of the day, like Attorney General Cole presented today. Like you, we are interested before we get solidly embedded in the negotiations, how close we are. If there are in fact -- if we do see some -- a range there where we can truly get together, then it's definitely worth our effort and interest to respond to the public's interest in wanting and seeing these properties acquired.

Just one last comment. On Kodiak Island, there's been expressed interest not only in Akhiok's property but in Old Harbor's property and in Koniag's property there. Wildlife refuge has been working, many different ways to reacquire that property and I think the Trustee Council by way of its interest here will show not only the Congress but the public that you could really give it a kick-start in reacquiring that inholding for the refuge. Thank you very much.

MR. PENNOYER: Questions, Trustee Council members. All right, thank you, sir.

MR. COLE: I have a question.

MR. PENNOYER: Mr. Cole has a question of Mr. Ealuska.

MR. COLE: Sir, what is the time limit, if there is one in which you would like to see the Trustee Council make a decision with respect to Seal Bay?

MR. EALUSKA: Well, we had our first year of timber operation, our first full year of timber operation in '92. We cut 13 million board feet. We have submitted plans to the forest practices that we'll be cutting another -- between 10 and 14 million board feet this year. The timber operations start up this month. We probably will get to the cutting areas in Seal Bay sometime in June because of the snow. We just won't get there -- the loggers won't get there until June so I was pleased today to see that you authorized the staff to get a letter to us so we can sit down and talk.

MR. COLE: Thank you.

MR. PENNOYER: Thank you very much. Yes, sir.

MR. PETRICH: Hello. My name is Greg Petrich and I'm the conservation chair for Kodiak Audobon.

MR. PENNOYER: Mr. Petrich, would you spell your name, please? I haven't been asking people to do that but I am requested to...

MR. PETRICH: It's P-e-t-r-i-c-h. Audobon is currently composed of 110 members, the last time I checked, in Kodiak and we're involved in a variety of community activities, stay abreast of many issues and involved. First off, I just want to thank the council members. This morning was really productive. And while

you -- if you pardon the pun, went all over the map on the issue in your discussion, the final product was really good, so that's the turning point on this issue, I'm really glad to see that happen. The letter to the landowners. Our most pressing concern is in Seal Bay and the first areas that we want to see acquired are the salt water areas. One cut was made last year, 300 acres that fell into an area which was designated a scenic and heritage area by DNR in 1980 through a rather extensive study. As I mentioned earlier, there is a cutting unit which is shown on the plans as being completed and I've seen the forest practices plan which says it (indiscernible - unclear) to be cut to the salt water edge by December 31st of last year. That unit, in fact, is still intact and the road has not been put up to it and I don't know what the terms of the contract is but it falls into the heritage area. It's right adjacent to a very successful resort which has international customers. So, that is our first concern is that area. Every area on that northeastern corner, in township 21 south, range 18 west and 19 west, we would like to see that land protected. Our great concern is that an equivalent resource or wilderness and recreational values that were damaged on Shugak Island and other nearby areas. And just simply under that auspice, we would like to see it acquired.

The habitat review is great and we're glad to see the amount of, you know, good wildlife habitat there but just for that reasoning, we want to see it acquired.

Commissioner Rosier brought up the subject of other

species earlier in the day that are affected. And we've had through steady timber operations, we've had a situation develop where now, there's increased access to hunting habitat and this combined with three years of hard winter has resulted in a population decline for elk, and this is probably one of the most heavily hunted species and one of the most persistent recreational uses of the island. So, any winter elk range ties directly into the recreational use on the island and we consider that important. Some data that escaped the Restoration Team on recreational use throughout Afognak are the hunting tags which show the bays where game were taken and I believe that's very significant information that should be reviewed and put into the recreational data.

I see a notation in the plan which says that Seal Bay was not oiled. We have quite a bit of evidence to the contrary of that. We have videotapes; we have people who will attest to doing voluntary clean-up work in the area and also log books of the boats that were in the area doing that work at the time. I was told by the Restoration Team that that's not necessarily important, that we're looking at the spill-impacted area but if it's necessary to see that information, we'll provide it. Just need to know who to give it to. The staff has been really good to work with in our contacts and just as a closing statement, I want to say that the people who own the resort in Seal Bay have been in the community for 30 years. They're well known, have a lot of friends. I've worked hard on the Seal Bay issue and

publicized it pretty well in Kodiak and if you take anything away from this, I just want to say that a lot of people will be happy to see you acquire that area. So, I hope that's part of the restoration plan is making people happy. Thank you.

MR. PENNOYER: Trustee Council members, question? Thank you very much. Appreciate your testimony. I think we'll go back out to the tele -- is there anybody else who has to immediately has to testify here?

UNIDENTIFIED VOICE: Not immediately.

MR. PENNOYER: Okay, well, I think we'll go out to the conference network then and see if there are other people who need to testify as soon as possible. And as we go around the net, I'll go around more than once. Could we only take people who have to immediately testify the first time around? We go to Cordova.

CORDOVA MODERATOR: Thank you, Mr. Chairman. We'll just be taking our list in order. First is Jeff Guard.

MR. PENNOYER: Okay, we'll go ahead and take the first one.

CORDOVA MODERATOR: Is there anyone else that wishes to testify?

MR. GUARD: I'll go first.

CORDOVA MODERATOR: Okay.

MR. STEELE: Does it have a button? Yes, sirs, I'd like to speak to you this evening. My name is Mark Steele and I'm 30 years old. I live in Cordova. I've lived here for 28

years and I'm in the logging industry. I had a prepared speech this evening but I'd like to pass it up and just say a few things that are on my heart. The main thing being that the Exxon Valdez oil monies caused an economical slump in our community and the outlying areas. I would like to see the monies go toward economic growth which includes development in the Sound and surrounding areas. I would like to take a couple of minutes shortly here and explain why I feel this way and what the logging industry has done for me and my family.

I've fished here since 1975 and I've lived here, like I said, since 1973 -- or 1963, excuse me. That's 28 years. Fishing was a good industry for me until 1989 when I got married and had a family and the prices of the fish and due to the Exxon Valdez oil spill, prices has deteriorated and I had to -- I had to look elsewhere for employment to support my family. I hired on with White Stone Logging in 1989 -- 1990 and they've trained me and they've given me a career and they've kept me in work full time.

I'm not a professional speaker here. I've got plenty of folks laughing at me in the background here in my local town but I'm here speaking from my heart and I'm telling like it is. Our money needs to go to economic growth, not into stagnant pools, not in the standing forest and I appreciate your time this evening.

There is about 25 people here that would like to talk -- excuse me like to talk and I'd like to give everybody time. That's pretty much all I have to say. Like I said, I'm not a

professional speaker and I don't know how to (indiscernible - unclear) appease to the public in general but I represent probably about 75 people that work and live in this community and that pay taxes and that do hard work and an honest job and we know you guys are looking for all our best interest. Thank you.

MR. PENNOYER: Thank you. Any questions for Mr. Steele? I've got to tell you the truth. I don't know how we're going to get to 25 people in the next 45 minutes but we'll give it a shot. Would everybody please try and keep their comments as brief as possible so we can hear as many people's views as we can. I'd like to go next to Fairbanks. Anybody in Fairbanks? Okay, nobody in Fairbanks at this time. Anybody else in Juneau? Nobody else in Juneau at this time. Homer? Anybody from Homer wishing to testify?

HOMER MODERATOR: Yes, we have three people that promise to make brief statements.

MR. PENNOYER: Okay, fine. Why don't you start. Take one.

MS. McBRIDE: Good evening. I'm Diane McBride, representing the Kachemak Bay Citizens Coalition and I'm speaking for several of us here. In order to be considerate of your time and other speakers on the teleconference. Thank you and congratulations for moving forward today with the habitat acquisition, especially for Kachemak Bay. That's what we're specifically interested in. And our members of our coalition encourage you to continue working with the imminently threatened

habitat areas and than you for consideration of funding for the Kachemak Bay State Park buy-back. And I'll pass the microphone on. Thank you again.

MR. PENNOYER: Thank you. Any questions for Ms. McBride?

MR. McBRIDE; My name is Michael McBride. It's M-c-B-r-i-d-e. I live in China Poot Bay. My P.O. Box in Homer is 956. Ratifying the last remarks, I'd say thank you, gentlemen, for your support of Kachemak Bay to date and encourage you to remember that the Citizens Coalition and people in Homer, people around the state and around the world that you've heard from on this issue for some time now represent a tremendous upswelling of concern over this and comparable issues. And there's no doubt in my mind that the numbers are probably in the many thousands. I do know that many thousands -- tens of thousands of dollars were raised by grass root supporters of this project to help finance it with mailings and postage and all the rest of it but many people have said that this is one of the strongest grass roots projects that ever came to Juneau. So, I'll hope you'll remember all of those people who can't speak and I'm hoping to speak for them. So, just finally, I'd like to add my vote or the vote of many of other people to the concerns of the people in Kodiak, Afognak, Seal Bay and ask you to look favorably upon their request as well. Thank you.

MR. PENNOYER: Thank you. Any questions for Mr. McBride?

MS. EVANS: My name is Lawrence Evans. I'm with Scribney (ph) Fishery Enhancement....

MR. PENNOYER: We'll hold the questions until everybody is done.

MR. EVANS: ...and we're trying to -- we're on the final stages of rehabilitation of fisheries in the outer Cook Inlet and I'd like to ask a question. Has this been put off? Enhancement been put off until March 10th? Over.

MR. PENNOYER: Over. Dr. Gibbons, was there an enhancement proposal for lower Cook Inlet in front of us?

DR. GIBBONS: No, there was not.

MR. PENNOYER: I'm not sure to what you're referring, sir. If you could elaborate.

MR. EVANS: Enhancement, is it being considered now or just property buy-back?

MR. PENNOYER: Well, we've completed the '93 work plan already and in that were some various projects related to enhancement. The '94 work plan is under study now and will be put in front of us on March 10th. It may or may not contain various enhancement projects. I have not seen the detail yet. The imminent threat question was relative to property purchase.

MR. EVANS: Okay. I'll sign off but I'd like to put a vote in for, as a non-profit corporation, in the buy-back of Kachemak Bay area for the habitat and I'd like to make an entrance into the March 10th for the '94 work projects. Thank you.

MR. PENNOYER: Thank you. Are there any questions for

anybody in Homer, Trustee Council? Okay, thank...

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole.

MR. COLE: I'd like to make a comment. I think that the Trustee Council has taken all actions which it essentially could conceivably take for the acquisition of Kachemak Bay State Park parcels. I thank these ladies and gentlemen for their support but we have completed on the Trustee Council our action for the acquisition of a major parcel of the former park.

MR. PENNOYER: Perhaps, Mr. Cole...

MR. EVANS: Is there any ability to raise the fund if it need be, over?

MR. COLE: Well, beyond what?

MR. EVANS: The seven million that was set forth by your council, over.

MR. COLE: Well, you know that there generally is available another 7 1/2 million from the Alyeska settlement, pending perhaps ratification of that settlement by the state Legislature in one fashion or another. So there are 15 million dollars available, you might say, in the checkbook now. There are bills in the Legislature to appropriate from the Exxon Valdez criminal settlement money additional funds. I think that the issue is at the moment what is the purchase price of all interests in the state park. That is...

CORDOVA MODERATOR: Cordova on line.

MR. PENNOYER: I presume that part of the reference is

to the fact that the Trustee Council had this back in front of them during the negotiation processes. We actually reviewed the terms of the deal and the parcels that would be purchased but for the moment, we've taken all the action we can take, so any other further comments or questions?

MR. EVANS: To get on the March 10th, on the project for the work '94, is there a specific person to contact?

MR. PENNOYER: You ought to contact Dr. Gibbons from the Restoration Team, acting executive administrative director.

MR. EVANS: Thank you.

MR. PENNOYER: And I think we'll probably make project drafts, when they are available, available to all the teleconference sites anyhow, so I presume they will be out there.

Can we move on to Soldotna? Anybody from Soldotna that wishes to testify? Okay, how about Kodiak? Kodiak, anybody there that wishes to testify tonight?

MR. ANDERSON: Thank you, Mr. Chairman. My name is Stosh Anderson. S-t-o-s-h A-n-d-e-r-s-o-n. I'd like to testify with respect to habitat protection. I would prefer outright purchase, but if that's not possible through economics or other consideration, I would prefer a resource easement, not just timber rights. The selected projects should include the entire watershed protection. I don't think it makes sense to buy a small parcel with upland impacts on water quality and water quantity. With respect to specific parcels on your imminent threatened parcel list, KAP 01, Seal Bay, I believe is an

excellent choice of an impacted area for selection and I hope you've got rapid (ph) acquisition of such. Under your opportunity parcels, KAP 08, Shugak Straits, I would encourage you to set a date if this is not going to be purchased immediately, so that it will not be developed and so it doesn't have to be put on the imminent list before purchase is available. Thank you.

MR. PENNOYER: Thank you. Questions from the Trustee Council. Comment? Thank you very much, Mr. Anderson. I think I'll move on around the teleconference network rather than exhausting each location to try to give everybody a chance to testify in case we have to stop. So, the next community would be Seward. Anybody from Seward that wishes to testify? Tatitlek? Anybody from Tatitlek that wishes to testify? Okay, I'll try to come back one last time on some of these. Valdez? Anybody from Valdez that wishes to testify or are they still open end? Open end. Thank you..

MR. JANKA: This is Valdez. My name is David Janka. Just a real quick support for the acquisition in habitat protection that you're working on. It's very heartening to hear this taking place and I hope it continues to move along very quickly. In the packet there, I do note, you know, one of the main parcels there you have is Two Moon Bay. I'm not so sure how much can be done there since a good portion of it has been completely clear cut. I know they're going to be moving to Fish Bay and I can see where that one fits in but how much of this

money should be spent in Two Moon Bay where it's already been clear cut is kind of questioning in my mind but please continue along with this and I hope it moves along quickly. We see some direct immediate results from it. Thank you very much.

MR. PENNOYER: Thank you. Didn't mean to cut you off but we were told Valdez was off the line, had to leave early. Is there anybody else in Valdez that wishes to testify?

MR. JANKA: There was the first person who was here and they do have to leave. They're walking out the door now but they did not want to testify. I came late. Thank you.

MR. PENNOYER: Okay. Thank you very much. Whittier? Anybody from Whittier who wishes to testify? Okay, I'll come back to Anchorage now. Is there anybody in Anchorage that wishes to -- Chuck, first.

MR. TOTEMOFF: Thank you, Mr. Chairman. My name is Chuck Totemoff, T-o-t-e-m-o-f-f, president of Chenega Corporation. There are two issues I wish to discuss with the Trustee Council tonight. First one being the two concepts that we made a presentation of to the Trustee Council meeting on their last meeting which was the Chugach Resource Management Agency proposal. I do have some handouts that I've handed to Dave Gibbons and I think you Trustee Council members have them. In addition to that handout, I do have a summary of our efforts to get the proper contracting procedures that we thought the Trustee Council told us to go out and get after the last meeting. If you'd take just a minute or two to read that. We have identified

93638 mechanism through the Bureau of Indian Affairs. They have indicated a desire to sponsor these concepts. And basically what I'm asking for is a status check on this -- on these efforts.

MR. PENNOYER: Mr. Totemoff, you made a presentation here. Is this for our use then, maybe come back on March 10th after we've reviewed this and discuss it with you or do you intend we try and take some action here?

MR. TOTEMOFF: Well, at the last Trustee Council meeting after I made my presentation, the Trustee Council encouraged me to approach the BIA to find a proper contracting method and we believe that lies within 93638. If you need more time to digest it, we would be willing to wait until March 10th.

MR. PENNOYER: Okay. Do Trustee Council members have further questions or shall we review this and take it up at the March 10th meeting? Any objection to that? Okay, any further questions of Mr. Totemoff at this time?

MR. COLE: Yes, I have a question.

MR. PENNOYER: Go ahead, Mr. Cole.

MR. COLE: Mr. Totemoff, have you contacted the state and federal agencies about working with them in the performance of work under any of these projects?

MR. TOTEMOFF: Yes, I have, Mr. Cole. We have contacted some principal investigators during the last couple of weeks. Most of them were not familiar with the motion that was passed at the last Trustee Council meeting. It's been an education effort on our part and it's been hit and miss. It's been our

experience. We don't know of any other way to educate the agencies other than calling them on the phone and maybe we'll meet them somewhere. The two proposals that you have in front of you is an effort to try to do that.

MR. COLE: One of the things, Mr. Chairman, that concerns me, this continues to drift along. I know I spoke with Mr. Totemoff and his representatives in Juneau about a month ago and I think we do have to take some action on the proposals at the next meeting so they can decide whether to continue to pursue their efforts or abandon them.

MR. PENNOYER: The choice seems to have been whether -- two questions then. One, whether contact with appropriate agencies seeking to do work in Prince William Sound is occurring and whether, in fact, you're being included in those discussions. And second, whether a direct appropriation is appropriate. Fine. Any further questions at this time?

MR. TOTEMOFF: Mr. Chairman, I had one more issue I needed to relate to the Trustee Council.

MR. PENNOYER: Go ahead.

MR. TOTEMOFF; Rather than read my two-paged statement here, I'll just read one paragraph that relates to the habitat acquisition. "Chenega Corporation has expressed interest in the past in having its lands considered under a habitat protection framework. Chenega's interests, however, are somewhat tempered by economic considerations and uncertainty inherent within the system. Voluntary agreements may lack from our standpoint

economic incentive. On the other hand, sale of fee or conservation easements may hinder our mission as a village corporation. An alternative which we believe may be in the public interest as well as in the interest of some landowners such as Chenega Corporation, may be the creation of an Exxon Valdez Oil Spill bank funded through annuities and deposits of land. Agreements between the governments and the landowner which provides for co-management, concise definitions of the rights and responsibilities of each of the parties and the right to withdraw upon notice adequate under the circumstances." Basically what we would propose as soon as we receive our letter is a different form of habitat acquisition. What we would like to explore with whoever we are directed to talk to on the Restoration Team is an annuity concept. Whatever the value was negotiated at.

MR. COLE: Mr. Chairman?

MR. PENNOYER: Do you have a -- go ahead, Mr. Cole.

MR. COLE: I was going to say if you could write us a letter, outlining that concept to the Trustee Council, I'm sure it would be disseminated and we'd be pleased to receive and review it.

MR. TOTEMOFF: Mr. Cole, I have the letter right here. I gave it to Dr. Gibbons for...

MR. PENNOYER: ...Dr. Gibbons and distributed to council.

MR. TOTEMOFF: Thank you.

MR. PENNOYER: And we'll be prepared to comment on that

as well at the March meeting, if possible. Thank you. Thank you very much. Let's take somebody else here then. You, sir, you've been waiting...

MR. CASTNER: Thank you. My name is Ken Castner, C-a-s-t-n-e-r. I'm a commercial fisherman from Homer. I'll just touch on these points. First of all, I feel the Restoration Team has a big blind spot when it comes to lower Cook Inlet. There's just been no identification and this hasn't been from want of trying. I delivered a paper to the restoration workshop in 1990. I wrote responses to the 1992 work plan. I've delivered twice public comment in Homer to your delegates that were sent down there and we still don't have anything in lower Cook Inlet.

I think the Restoration Team also has a little bit of a blind spot for public process. I was flabbergasted. I mean I wanted to leap out of my chair when Dr. Montague was outlining the public process for the 1994 work plan, that you guys would pass it by memorandum, that you'd have a non-public meeting on March 10th and that the public would get a crack at it after the fact.

It's real obvious that we have some agendas that are going on here and if you just can't get your agenda by the public, then you know, you'll do it without the public or you'll tell the public afterwards. I'm frankly really outraged by that, by that attitude.

That's shown in your matrix. Who's ever heard of a matrix where you have the same values on the X and Y axes? You have habitat acquisition on your X axis and habitat acquisition

on your Y axis, boy, you're going to get some habitat acquisition. You've got a matrix of 100 percent habitat to 45 percent habitat acquisition. You have a matrix of zero to 22 percent direct restoration projects. That's somebody's agenda. It's not mine. It's not my comment. I've always said, do your direct restoration first. Habitat acquisition in and of itself, is not restoration. It's only a replacement at best or a prevention of further damage. And so, habitat is not a magic restoration panacea. What's to become of the lands when you acquire them? I wouldn't support more park lands on the outer coast. It's park lands all the way from Seward as it is now and the little bit of public lands are the only places where we can do our own restoration project. The imminent threats need to be of resources, not only land and I really hope -- I support your concept, Mr. Cole, of condemnation but not of -- not of getting into a big angst (ph) scrap over lands but condemnation of a timber right that was sold eight to ten years ago through net operating sales. That's something that I think you could attack through condemnation and be successful. That's something that you could come up with a fair market price and apply across the area. And with that, I'll quit. Thank you.

MR. SANDOR: Mr. Chairman?

MR. PENNOYER: I think that this Trustee Council has never intended to adopt any work plan without an awful lot of public comment and review and certainly, you may not have gotten what you wanted in some cases, but we certainly had a lot of

comment on the '93 work plan. I don't think any of us felt Dr. Montague had either proposed that we develop the '94 work plan and approve it in a vacuum. I think he was talking about a first blush shot by us but as you've heard, we're not going to get out until May or June and the March 10th thing is simply a preliminary review of the types of things that might be included and it doesn't preclude anything as far as I'm aware of from public comment. So, it is our intent, I think all along, to have fully public participation in the process through the PAG and also through the public-at-large, not just through the PAG, so I...

MR. CASTNER: Prior to May 17th? The way I understood it from his slide presentation is that you folks would approve this by memorandum prior to May 17th.

MR. COLE: Mr. Chairman?

MR. PENNOYER: Mr. Cole.

MR. COLE: Mr. Castner, I assure you that there will not be any secretive meetings; there will not be any adoption of projects by memorandum. We will very carefully scrutinize each project that is presented to us and it is my hope that we have indeed even a broader process for the selection of projects in the 1994 work plan than we have had in the past two years.

MR. PENNOYER: Dr. Montague, I feel constrained to let you say something at this time. Briefly.

DR. MONTAGUE: Okay, Mr. Chairman, and to address one of your concerns there, a huge number of project ideas that came

in last year and actually for three years now in three different documents, we were getting a lot of responses back from people and when we'd send them yet another document for their review, saying in 1990, 1991 or 1992, I told you what I wanted, leave me alone. So, we had all these ideas, you know, surely there will be more but by far the broadest assemblage of ideas are already in the system more or less, including yours.

MR. CASTNER: Thank you.

MR. PENNOYER: Thank you very much. I guess I'll go back out to the conference network and try -- see if anybody else needs to testify there. Chenega was not on line. Going back to Cordova. Anybody else in Cordova?

MS. ATKINS: Yes. I'd like to ask -- my name is Marla Atkins, please. And I'd like to ask you folks to get the mush out of your mouth and speak up. We can't hear you out here in the Bush. I'm a 34-year resident of Alaska and a 22-year resident of Prince William Sound. I've lived on Knight Island. I have for 13 years. I enjoy my habitat and my wilderness. I like timber just as much as the next person. I would like to thank this council for holding this hearing and the teleconference. I am giving testimony for myself as a concerned Alaskan, a few local fisherman, citizens and local logging employees who came to me in the past months with their concerns since our opinions seem to parallel on this issue. I've already written the governor on several occasions in the past months, regarding the spending of these funds. The major damage took place in Prince William Sound

to our fisheries and its waters, not in the trees and the Sound or in Kodiak Island or in Kamyshak Bay or on some lake top. While I understand the desire to protect these forests and the tourist routes and I have the same desire and our timber, I say not at the price of our Prince William Sound fisheries and our fisheries. The particular thing that is taking place here in one respect are apples and oranges. A buy-back is a direct threat to Alaska and the logging industry, the individual families and the communities. The economics in Cordova alone is a large factor to consider. In Cordova, one operator's alone payroll ranges between 2 1/2 and 3 million dollars a year annually. This money flows into the local economy for rent, homes, food, medical, dental, clothing, pleasures, transportation, taxes, et cetera. These are some of the items covered by this money that is passed back and forth in the community. It has created a winter economy in Cordova where none has existed since crabbing has declined. Revenues from port facilities will affect (indiscernible - unclear) is another contributing factor. There are four operators presently operating in Prince William Sound. If you take the dollars that are generated by these four people, the 200 families that are involved -- there's 70 some families in Seward that will be affected by this -- no small decision before you to consider. I feel that there are better alternative such as a land swap or other plans that can come before you people. A swap between the Native landowners, the state and federal sectors could save the timber and critical areas and keep the logging

economy also going at the same time. The buy-back will knock out all logging revenues and put these families out of work. The repercussions are far reaching. I think at this time that Juneau should perhaps look to also redefine its timber laws to make it compatible with the land, the population, the environment, the watersheds, et cetera, help setting up a buffer zone along all anadromous and major fish streams versus bending to the whims of certain extreme groups or special interest landowners which it appears to be doing in this case. Alaska and her salmon runs and her industry, her citizens are in far more problems and danger from these types of things than she is from the logging at this time. I ask you to evaluate positions carefully, spend this money more responsibly on Prince William Sound restoration or for fisheries and research. I would like to see our money put into the actual damaged areas of the fisheries and fishery buffer zones, future research and restoration that may come into the scene. Listening to the (indiscernible - unclear) last week, we know that there are problem areas that we have even begun to comprehend. The buy-out of large timber tracts is not going to affect us. Again, I say these are apples and oranges.

(Indiscernible - unclear) problems to the fisheries can be addressed by buying strips along the anadromous fish streams. In comparison, I feel little monies have gone into research and restoration. I would like to know -- I'd like to say that I feel Alaska is being held hostage by certain individual landowners and special interest groups and when this will end. I have a couple

of questions at this point. I would like to know exactly how much money has been allotted at this time for the fisheries and research totally because I keep getting conflicting figures in Prince William Sound. I would like to know why Alaskans can't vote on how this money is to be used and if this is a direct moratorium, I think that is a waste of money and we should look at a purchase if that is a decision that you find to be the most desirable. Thank you.

MR. PENNOYER: Starting with your questions, I'm not sure what the total price tag is on fisheries-related research through both the damage assessment and restoration process to date. I'm not sure who has that figure. Dr. Gibbons, perhaps you could come up with something by the next meeting and we could let the conference sites know?

DR. GIBBONS: At the teleconference site there in Cordova, there is a summary matrix of the 1993 work plan and if you go down through there, you can pick out the projects that were approved by the Trustee Council concerning fisheries in Prince William Sound but if you need any help, just give me a call and I'll be glad to walk you through that matrix.

MR. PENNOYER: And that's '93 only? That doesn't include what's been done in '92, '91...

DR. GIBBONS: Right.

MR. PENNOYER: ... '90 and '89. For your next question, as far as voting goes, the Trustee Council was constituted under the settlement agreement to make those decisions and we have, I

think, tried to broadly as possible to get public input, it's true there's not been a vote although the PAG, our Public Advisory Group does vote and advise us but I think we have received massive public input and I think we'll continue to do so. Moratorium, I don't think we've determined the proper route we should take in property acquisition or dealing with the restoration through the manipulation of property. And that's part of the options we're looking at. That will be part of what's before us at the next Trustee Council meeting, so I think you'll have to bear with us. WE haven't gotten all those answers yet but we appreciate the input. Are there other questions from the Trustee Council members? Or statements? Thank you very much.

MS. ATKINS: Yes, I don't have the paperwork you discussed here. It would be nice if someone could get back to us exactly how much money has been given to fisheries restorations in Prince William Sound. Thank you.

MR. PENNOYER: We will try and make that available to you. And not very much on restoration yet because our restoration plan is not complete but a sizeable amount of money has been spent in research trying to evaluate what has happened to the fisheries and what some of the options may be. WE'll get that down to you. I think I'll go around through the net. I know there are more people in Cordova and we'll come back to Cordova and finish out our time at that location. Fairbanks; there was nobody in Juneau; there was nobody -- Homer, is there anybody additional in Homer? Homer, does anybody additional wish

to testify in Homer? Okay, thank you. apparently, they're off the line. Kodiak, anybody additional in Kodiak?

MS. STAHL-JOHNSON: There's three of us. My name is Kristin Stahl-Johnson. K-r-i-s-t-i-n S-t-a-h-l hyphen Johnson and I'd like to make some real brief comments. I'm really pleased to see the high ranking that Seal Bay and Afognak Island got and I support immediate negotiations to acquire the Seal Bay parcel on Afognak. It's a very threatened situation and as Greg said earlier, there's a lot of people that are really pleased to see the potential of it being purchased. We don't -- it is not only an equivalent resource but it's also an area where there's significant evidence -- (indiscernible - unclear) from the Exxon Valdez was collected on the beaches there. I prefer outright land purchase or total resource easement purchase but purchasing just strict timber easements would be insufficient habitat protection. Furthermore I support total watershed acquisition and protection of, you know, completely -- complete definable ecosystems.

Small, piecemeal parcel purchase does not constitute habitat protection. The area is Kazakof Bay or what's locally known as Danger Bay has been highly -- heavily logged in many areas and it does not stand out as a complete watershed or ecosystem. I do support the position of immediate acquisition of imminent threatened parcels but we also need to consider the designation of a time line on other parcels, specifically the Shuyak Strait parcel on Afognak Island.

Let's not wait until that area becomes threatened by logging which is definitely in the plans of the owners of the parcel if they don't sell it. The Shuyak Straits parcel has been rated second -- has the second highest score on your parcel summary and this parcel is extremely high in intrinsic, wildlife value but also it would connect the Red Peak (ph) section of the wildlife refuge with the Chugach State Park area and really complete out a whole habitat system that was also in an area that was impacted by the Exxon Valdez. We do support use of much of the monies for habitat acquisition.

Thank you very much. There are two other people here who need to get home to their families if it's possible to take their time. Thank you.

MR. PENNOYER: Thank you. Any questions of Ms. Stahl-Johnson? Okay, could we -- let's go ahead and finish Kodiak then if there are two more people to testify. Would you go ahead, please?

MR. MULLIGAN: Yes, my name is Mike Milligan. I'll spell my last name for you. M-i-l-l-i-g-a-n. I support much of the other testimony that was given here from Kodiak. I want to thank the council for prioritizing Seal Bay. It was in the spill-affected area. I appreciate some of the comments from the Alaskan woman from Cordova. We're all able to engage in this debate but I don't agree with all of her views but I would like to comment that Kodiak was severely affected by the oil spill. We had severe loss of wildlife here due to oil impacts.

And I wanted to hope that the trustees would look at the possibility of Paul's Bay. What makes Kodiak different from a lot of other areas in Alaska is that we don't really possess a major river system to the extent that Cook Inlet or some of the areas in Prince William Sound do. All our rivers tend to be very small, local systems with small salmon runs coming into them.

Paul's Bay traditionally was a starting off place for the first early season runs of red salmon that occurred here in our salmon fishery and I just hope that the trustees would keep that in mind.

One closing comment that I wanted to make was about the habitat protection work plan. As I looked down the analysis, injured resource/service, I don't see stellar sea lions being listed. We have a big problem here with stellar sea lions being a threatened status and they could even go to endangered status. Many of the areas that received oiling in our Archipelago are also significant sea lion areas and I hope that as we work through this process, we will see sea lions added to this list. Thank you.

MR. PENNOYER: Thank you. Any questions of Mr. Milligan? We'll take the last person in Kodiak, please.

MS. AKERS: Yes, my name is Tracy Akers. That's T-r-a-c-y. Last name, Akers, A-k-e-r-s. And I'd like to -- I support what everybody else here from Kodiak has said and I'd also like to make a comment in regards to the woman that testified from the Island that one of the reasons I support

habitat buy-back is by preserving wildlife habitat, you also help preserve marine habitat, both of which, marine and wildlife were severely affected by the Exxon Oil Spill, from Prince William Sound down passed Kodiak, down onto the mainland. Much was oiled. Many animals and marine mammals, birds and fish were killed. And I think we need to understand that the ecosystem doesn't exist in parcels. It's all inter-related and thus by preserving and protecting the wildlife habitat, you also help preserve marine habitat. So, I see there's a direct relationship there. And that's all I have to say.

My other thoughts have already been stated by other members here in Kodiak and the rest of Alaska and I'd also like to say that I'm very pleased with the council for the priority right now in habitat buy-back and I'm looking forward to talking in March about the next issue concerning Alitak Bay and Red Lake here in Kodiak. Thank you.

MR. PENNOYER: Thank you. Any questions for Ms. Akers? Thank you. You wish to change the tape?

COURT REPORTER: (Inaudible positive response.)

(Off record: 6:34 p.m.)

(On record: 6:34 p.m.)

MR. PENNOYER: ...come back now to Anchorage. Is there anybody further who wishes to testify in Anchorage? You, sir. You've been waiting for quite a while.

MR. ADAMS: Yes, sir, Mr. Chairman. Thank you very much. My name is Ken Adams. I'm a commercial salmon fisherman

from Prince William Sound. I'd like to very briefly just comment here on the deferred projects and I must say I'm at a loss because I had to step out at the very time when the subject was being discussed by you and I learned regretfully of the failure of the coded wire tag recovery program for Prince William Sound.

I'd just like to express thanks to those of you who supported the projects and for those of you who voted in opposition, I just want to say that you typify yourself as being resistant to public input. Mr. Chairman, you say you received public input but there's a lack of response to public input that many of us in the public are seeing. I think you raised questions about the effectiveness of the whole trustees' process. The Exxon Valdez oil spill studies that were revealed during the symposium identified fisherman on two counts as being victims of the spill, economically and sociologically. We need help with this coded wire tag recovery program and not to dwell on the merits of the program -- you've probably been all through this -- but we feel it's an essential part of managing the mixed stock fishery of Prince William Sound. We fishermen, we can't afford it. Prince William Sound Aquaculture Corporation can't afford it. It looks like the State with its budgetary constraints is not going to fund it. Salmon have been affected by the spill and fishermen have been affected by the spill. You folks are the most likely funding source to help us. We've suffered through two years of extreme market crisis. That is in the pink salmon industry, particularly in the Sound but also, also state-wide, particularly

in the Sound. We need help and it's deplorable the action you've taken on this coded wire tag program. Thank you.

MR. PENNOYER: Questions of Mr. Adams? Thank you, sir. That gentleman over there has been waving his hand at me for quite a while and studiously ignoring him.

MR. BEECHER: Thank you. My name is Perry Beecher. I'm an owner, operator of a logging operation and road building construction down in Cordova, Alaska. I currently have 60 to 80 people that work for me between nine and ten months out of the year. And as a Marla Atkins said down in Cordova, our payroll is between 2.5 and 3 million dollars a year. Your proposal and all we seen was in the paper basically would eliminate those jobs and also my ability to perform as a contractor. A lot of my employees are buying homes; they're renting, buying food. They have medical insurance. They're very dependent on the timber. We are just one of the many companies down in Prince William Sound that are operating. There are about four or five operators and they have about the same amount of employees and the Seward Saw Mill which is also dependent on timber and those employees down there too. Part of the proposals that are going on would actually eliminate between 200 and 300 jobs.

I find it pretty upsetting that our government, our state and federal government, is considering the possibility of buying these jobs and actually creating another oil spill victim.

I think what we have here is you have an advisory group that advises you of what they feel is the needs of the public but

basically, you have some very -- conflicts of interest on that advisory group that are timber owners, radical environmentalists is what I call them and basically they're advising you to hand out monies to 'em and you don't have anybody on that group that actually represents the person that could be affected by you buying out the timber.

And also, I make this statement: that you've been lied to. For somebody to say and I hear it all the time and I disagree with it that the timber -- that clear cutting and logging is a threat to the wildlife is a lie. And that's just what I've seen with my own eyes, what many other people have seen with their own eyes. It just doesn't happen.

What we're asking is that you make some openings in your advisory group for people that work in the mills, people that work in logging, people that work in the construction and actual fishermen too, that we get on that group and we are part of the process. I know we've been kind of sleeping on this and we haven't come forward but we are now. And we're just slowly but surely starting to organize ourselves and we definitely, in all fairness, want you to consider before you buy any timber what kind of an effect it will have on us and in our environment. That's all I have.

MR. PENNOYER: Thank you very much. Questions? Trustee Council?

MR. COLE: I have some questions.

MR. PENNOYER: Mr. Cole.

MR. COLE: Are you logging, sir, on the Eyak land?

MR. BEECHER: Yes, I am.

MR. COLE: And what happens to these logs that you log?
Where do they go?

MR. BEECHER: They are exported.

MR. COLE: And to where?

MR. BEECHER: To Japan.

MR. COLE: And is there any processing of these logs in
the United States?

MR. BEECHER: Well, since the Seward mill has started
up, there is the possibility of sending some of our low-grade
logs to Seward.

MR. COLE: And how long have you been engaged in this
business in the Cordova area?

MR. BEECHER: Four years.

MR. COLE: Let me say this with respect to the
composition of the Public Advisory Group. I can't, you know,
recall all the names of the people there but one, as I recall, is
Jim Cloud who lives here in Anchorage who, in fact, proposed, as
I recall, in a letter he sent to us that we not acquire any
habitat or any timber lands unless an equal acreage is made
available for logging, so I'm sort of pointing out that there are
those on that Public Advisory Group who are in favor of logging.

We have a representative of Koncor Timber there, as I recall; we
have Senator Eliason, a fisherman from Sitka. I don't think we
really stacked that Public Advisory Group with radical

environmentalists. Dr. French, et cetera, et cetera. And so, you know, I really haven't seen a lot of what they proposed from that group but I have a sense that it is a fairly balanced group and that's something that we took pains to do when we selected them. Anyway, for what it's worth.

MR. BEECHER: No, I appreciate that. I guess I have a problem maybe with Koncor on there. You do plan on buying some of their timber. I mean it isn't (ph) partly processed here. Kachemak Bay.

MR. COLE: Kachemak Bay.

MR. BEECHER: That's right. And, you know, I do feel that you do have some environmental groups on there that I totally disagree with but that's my own personal feelings. But I do feel you don't have like a common worker on there, just a guy that's going to be directly affected by you buying out timber, say, in the Cordova area or Two Moon bay or in the Seward area. I think they've been ignored and I recommend -- I would like to see you guys get somebody on there that actually could express his interest on how it's going to affect him and the families in that town. And I do apologize if I have labelled all of them as radicals. Thank you.

MR. PENNOYER: Thank you very much. Okay, we'll go on. It's getting -- it's a quarter 'til 7:00. Lady in the back.

MS. BENTON: For the record, my name is Kim Benton. I have served as an alternate on the Public Advisory Group for the forest products industry. I don't recall the name of the

gentleman behind me that spoke last. I am an independent public relations consultant. I'm contracted with the Alaska Forest Association which is a membership organization for all public members. I'd be happy to give you a card at the end of this and relay any information that you need. But I guess I'm going to have to wait until March 10th to find out if I'll be able to keep being the alternate on that.

I am here today on behalf of some other clients, Timber Trading Company and Koncor Forest Products. I'm here today to ask to please remove some lands that were identified in this book from consideration. My concern is to eliminate from public perception the idea that these areas that have been identified as imminently threatened are available for protection or acquisition. They're not. The area that I'd like to ask to be removed are Timber Trading Company's timber on Patton Bay on Montague Island which is identified in this book as Prince William Sound area number six and timber managed by Koncor Forest Products Company on Afognak Island. That's identified in this book as KAP 04. I realize that a whole lot of work went into this book and I'd hate to have to see any more work by the habitat protection group towards areas that really aren't for sale in any situation. I appreciate the opportunity to talk to you.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: That's the reason I had in mind the exercise

the power of condemnation...

MS. BENTON: I know.

MR. COLE: ...because I thought that we might be faced with a response of that nature and that in the event our scientific data is strong enough in these areas, in the event that this council feels that the acquisition of those particular parcels is essential to the public interest that we consider whether we have the power of condemnation, first, and second, whether we might want to exercise it if we did. That's one of the reasons that it's nice to have the data out there.

MS. BENTON: I realize that and I'm sure that the private landowners will look forward to that argument. Thank you for the opportunity.

MR. PENNOYER: We have to consider what we're going to do here. It's ten 'til 7:00.

MR. COLE: Let's finish it up. Fifteen minutes. This gentleman's been waiting a while.

MR. PENNOYER: Okay. Another ten or fifteen minutes. No, I did not intend to quit yet, but we have people in Cordova too, still. Let's try this gentleman here then we'll go back to Cordova for while.

MR. SKULSTAD: Ladies and gentleman, Mr. Chairman. My name is Thor Skulstad, S-k-u-l-s-t-a-d. Alaska resident for 66 plus years. I have la few words that I'd like to get on the record. You will advise your staff to negotiate with X corporations to buy 380,000 acres of private Alaska land. The

total of this land belongs to approximately 7,000 people and it's worth two to four billion dollars. Land on the south end of Afognak sold for 5,000 per acre. Using that figure, 150,000 acres is worth 750 million. Who in their right mind would sell their interest in land worth as much as 200,000 an acre for 12 cents per acre? That figure comes from assuming the owners would get half or 75 million of the 150 million. I'm sure you are aware dissident shareholders will sue for the true value of said land which could run one million each. Now, Mr. Cole, you being the number one law man in this state, I assume...

MR. COLE: That's a matter of opinion, Mr. Skulstad.

MR. SKULSTAD: ...I assume you will see that the owners of said lands will get true facts and will be able to vote on any sale of their lands. I believe that is your obligation to these Alaskan landowners. I believe there are other ways to control logging on some of these lands. There are many questions to be answered and I will bring them to you later. Thank you.

MR. PENNOYER: Questions? Mr Cole, do you have a comment?

MR. COLE: I think that article in the newspaper with due deference to the Daily News...

MR. SKULSTAD: They're trying to force you to buy that land if they can get public land for \$900.00 an acre, good deal.

MR. COLE: ... but you know, those were, as I understand the process, simply lands which they recommend we consider for acquisition, not that they recommended that we acquire them and I

think that's one that we're looking at now.

MR. SKULSTAD: My wife and I both have interest in this and personally, our share of that land, I don't -- there is no price on it. We wouldn't sell it. And I think a lot of people feel -- one of the things that these corporations and their board, they go and make a deal and it's strictly against the law. The shareholders are told nothing. That's where you come in, Mr. Cole. Thank you.

MR. PENNOYER: Any other questions? Okay. Maybe, we'll take one more here. Then, go to Cordova next.

MS. ANDERSON: My name is Catherine Anderson. I'm going to speak on behalf of Eyak. You just heard from a constituent of mine, a shareholder. I guess maybe I've not read in depth enough about what's going on here because at no time has our land ever been an issue. Our land is not for sale; it cannot be acquired. What we did was a year ago, bring to the Trustee Council a thought. The thought was a moratorium while they kind of had time to put together the restoration plan, we brought in a moratorium for just critical areas and the buffer zones. We were looking at 100-foot buffer zones around all of the forested land. I see Charlie's been calling my land a red blob most of the day but I would hope that I would have an opportunity to work with the restoration council and redefine some of the areas that we are looking at because what was imminent threat last year is standing no longer.

What is imminent threat this year, again, if you make

your decision in May, it too will not be standing. So, I don't know, maybe imminent threat means something different to me than to the council. Imminent threat means it's going to happen now and you don't start planning your logging season in May. You start it when you quit in November. So, I don't know where we go from here. We stayed out of areas last year that we thought were just absolutely crucial, critical because of the community.

We tried to be sensitive to everyone's concern. We held back at great cost to our company. I don't think we're going to make those same mistakes because imminent threat does not seem to have much standing. I've heard people come on line from different areas throughout Alaska today, thanking this council and you know, I look up there and I think that they're really trying to do their job.

God, I should sit here and defer my thoughts until March 10th. I sat through a whole entire day of people deferring everything. It's like if we can't make the answer; let's defer it. You know, I see the federal side voting against what the state wants. I wonder if in March if the state is going to vote against what, you know, the feds want. I mean I can see this line of division and it must make it very difficult for this council to operate. I hear the public outcry to acquire habitat, critical habitat, not all of it.

What you could have acquired last year was some nice standing hemlock. We were forced to move out of some sensitive areas and log the hemlock at great loss to our company. Well,

this year, we're looking at are up there in bright red, the blobs, and the price has gone through the roof on hemlock this year. You know, so it's going to make all of that area in Afognak, Cook Inlet, everywhere, much more costly than it would have been last year. We have no way to predict the prices for next year. You know, we were trying to make a fair deal for stranding, on the stump, buy it, a conservation easement, somewhere where we would not harvest those trees for two life cycles, but nobody was talking to us, so I guess I took light of the fact that all of a sudden, you know, here's a map out with our critical habitat is all red. That's not all critical habitat. That is habitat that has been identified because we put in for a permit to log it and that's when it became critical.

One thing Eyak will say is our land is never going to be for sale. We may think about trades; we've yet to discuss it. Nobody brought us into the loop. We've been sitting us out there for over two years, waiting for someone to say something and today, we hear you're going to send us a letter, you know, and I want to tell Dr. Gibbons, don't send the letter. I'm not going home until I've had a chance to visit with you and to the rest of you, I look forward to seeing you on March 10th and I would hope that we could get over this deferring. Come on, you guys. If you can't make a decision, just say I can't make a decision but don't defer it every time. I mean all day long.

I was embarrassed when Dr. Gibbons read it to the people on the other line. You made two decisions all day long

and the rest was defer it. Now, that to me, would say that the Restoration Team has not done their homework as thorough as you wanted it or you didn't mandate exactly what you expected from them. And for you to be able to have an alternate so you can have a meeting is wonderful; but to have the oil spill advisory group not be able to hold a meeting because no one shows up, then maybe got the wrong people to advise them because it's holding you back in your opportunity to let the public see that you really are listening to the outcrys of people. And I could go on but I won't. I know Cordova is waiting. My opponents in Cordova. What happened to my neck? I told them I was going to clear cut and hear I am. They hung me! Thank you again.

MR. PENNOYER: Thank you very much. We don't have a lot of time left. So, let's -- I think I'll go back to Cordova for a couple and then we're probably going to have to wrap it up and I'll try to get back to you but Cordova, can we get -- do you think you could possibly pick two or three people who could be spokesmen and give a short testimony at this time?

MR. ANDERSON: Hello. This is Bob Anderson in Cordova. I don't have any written comments but I do have a number of off-the cuff comments that I'd like to make. I'm here representing myself personally. Last time, I appeared before you, it was as an officer in the Sharestone Corporation. I'm here as a private citizen, as I said. I'm here today in that capacity. One of the things I'd like to bring up and mention to you, I see you've identified Eyak River as critical habitat and you've only

identified 100 acres there. The permit that was filed last year was approximately 700 acres, encasing about 12 million board feet of timber. There are other timber -- there is other timber down the river that belongs to Eyak Corporation and I don't know what the footage is down there but I would assume that it's all of similar nature there, all up and down the whole river. I'd like to have you retake a look at that Eyak River footage.

I'd also like to suggest to the trustees that you take a look at the original proposal that I helped Sharestone put together and submit to you last year. It's one that I think many people in the community down here liked and it also leaves the opportunity for us to still have a viable logging industry down here. Just very briefly, the proposal suggested that timber up and down Eyak River, all of the timber around Eyak Lake and extending the buffer zones on all anadromous streams within the holdings of Sharestone. And I believe we even suggested the additional buffer zone in acreage -- the other acreage owned by the Eyak Corporation. And we also suggested a buffer zone along the salt water. I think that would leave a viable industry here while the scientists were able to look at other possible hidden critical habitat within the holdings of Sharestone and Eyak. That's really all I had on that subject.

I had one other thing that I'd like to mention to Charlie. I, very briefly here the first part of the meeting where the Attorney General, a young logger got up to speak and he was obviously very nervous and I felt that he was intimidated

here in the meeting. There were smirks and smiles around the table. It bothered me a great deal. I'm going to bring it up at the council. I'm going to bring it up to my two legislators and I just like to mention every Alaskan should have the opportunity to speak without -- given the opportunity. Thank you.

MR. PENNOYER: Thank you. Mr. Cole.

MR. COLE: Mr. Chairman, I think it's only fair to comment somewhat about Eyak's proposal last year. As I recall, that proposal was for a moratorium for a relatively short period of time at the cost to the Trustee Council of some four million dollars. That's my recollection. I don't purport to have a very strong memory but that's my recollection which seems to me a grossly excessive sum. And I, for one, could not in good conscience, support an expenditure of that magnitude for what I regarded as a very limited period of foregoing by Eyak of logging on its land. That was one of the reasons. I don't want the record to show that when we decided not to accept that proposal, that it was done without careful consideration and that the cost of accepting it was very large.

MR. PENNOYER: Further comments or questions? thank you very much. Can we get somebody else from Cordova?

MR. MIKELIN: Yes, Mr. Chairman, my name is James Mikelin. I've been a commercial fisherman in Cordova for 17 years. To me -- land, to me, is the most important commodity we have on this earth and so, in accordance, I totally support the habitat buy-back program that you people have gone ahead and set

up. I'm also in total agreement with the parcel ranking and acreage summary that you have. I would like to stress though that work on the stream restoration on oil streams inside Prince William Sound needs to be done as quickly as possible.

I am also disappointed in the coded wire tag program and the herring spawn deposition programs that were dropped from the '93 plan and I wish that we had the funds to go ahead and do that for '93. I also am in total support in buying all available lands inside Prince William Sound on timber buy-back. It has been devastated enough and no more logging in Prince William Sound is what I would like to see happen. And that's all I have to say and we have one more person or two more people here in Cordova that would like to say a few comments.

MR. PENNOYER: Thank you very much. Questions or other comments from the Trustee Council? Let's go ahead and finish it out then. Can we get the last two people in Cordova to testify next?

MR. GUARD: Yes, hello. My name is Jeff Guard. I'm a resident of Cordova here. I'd first like to say my positive statement, I'm real supportive of the council's position on finally getting around to look at some resource or habitat acquisition. I think we're all in agreement that's the best way we can further protect any further degradation of the impacted area there.

The other thing I want to talk about is not on a positive note. I'd like to bring up the point that was mentioned

here before. There are some programs here we're looking at. The coded wire tag projects for the salmon and there were two herring projects we were trying to get you folks to look at. Both species in your documentation of injury have shown to be spawning impaired. They were given no consideration. I don't know what kind of in-house fighting is going on up there over this. I don't know whether it's -- everybody's trying to see how much money they can get run through their department for studies but it seems real evident to us that everything that has anything to do with fish has been X'd out.

I mean you look at your new ranking system. The only thing you have in there for fish is one column for anadromous fish. You've got everything else broken out. You've got, you know, birds broken out by species. You've got everything else broken out by species. There's nothing in there for shellfish; there's nothing in there for crabs; there's nothing in there for shrimp; there's nothing in there for any of your intertidal rock fish. I mean, you know, it's all lumped under anadromous fish. I mean this whole thing's a joke. We've got spawning impaired biomasses out there, you know, regardless of whether or not they're a commercial species or not. I mean -- well, even especially. If they're interacting with something else, whether it's through sport, commercial, or subsistence, so that you no further impair these species, you need to understand how much damage has been done so you can manage them appropriately for this and you guys have completely ignored this time and time

again. And I just want to go on the record as saying I'm real disgusted about it and we're getting real tired and we think that there's basically no response from the trustees on this. Thank you very much.

MR. PENNOYER: Questions or comments from the Trustee Council? It's getting late, I guess. Okay, thank you. We had one more person in Cordova who was going to testify.

MR. BECKER: Yes, my name is Carl Becker. Box 1185. I'd also like to speak on behalf of Nancy Bird who had to go to another teleconference. We're both pleased that the working group is moving ahead on habitat acquisition. We do feel that this is the highest possible way that restoration funds can be spent. In short, I'd like to speak in support of the Prince William Sound Conservation Alliance' positions as stated in their letter of February 15th to the Trustee Council. In view of some of the limitations that were mentioned in the letter regarding ranking of parcels, we ask that you be flexible in your ranking and that you consider additional parcels that may not be included in the public ranking summary. I ask that you seriously consider the comments made by the Prince William Sound Conservation Alliance regarding specific parcels in Prince William Sound.

My final comment is that I ask that you reconsider your decisions and fully fund the coded wire tag program in Prince William Sound and the herring impact studies. These are vitally important to the recovery of pink salmon and to mitigating the damage to the herring stocks. Finally, I'd just like to say that

our gathering here has been mischaracterized. No one was intimidated and I hope that the Trustee Council does not go away with that impression. Everybody was given an impartial opportunity to speak and I'm sorry that some people have chosen to mischaracterize the way we behaved here. Thank you very much.

MR. PENNOYER: Thank you, Mr. Becker. I hope for everybody out there you don't think we're either taking you lightly or not giving you a chance to speak and if in fact it appears that way, please let us know that because it's not our intent. Dr. Gibbons, you had a comment?

DR. GIBBONS: Yes, Mr. Becker, I haven't seen the copy of the letter from the Prince William Sound Conservation Alliance. How did -- did you send that by regular mail and that's why it's not here yet or...

MR. BECKER: No, I didn't. That letter was sent by fax yesterday evening and it may be with your restoration group. It may not have gotten included in your packet. If it didn't, I'd like to apologize and I hope that when you get the opportunity, you can look at that letter. Thank you.

DR. GIBBONS: Yes, can you send that again, just attention to me so I can make sure and get that?

MR. PENNOYER: Thank you. We're going to have to go ahead and wrap this up but sir, if you would come real quick and Pam, did you want to talk about something too.

MS. BRODIE: Please.

MR. PENNOYER: Yes, sir.

MR. PROPES: I'm going to give you my prepared statement. My name is Carl Propes. I'm a private land and natural resources consultant and a local businessman in Anchorage. So, I'd just like to highlight a few points of it and ask you to consider these things. Among my clients is CITIFOR which is the new owner of the Seward Saw Mill. As you know, that's just been put back in operation, creating 50 jobs there in a single shift, hoping to go to a double shift as soon as possible, creating another 50 jobs. As you know, from economics, what the multiplier of that means as far as the Seward economy is concerned. I'm here to speak against the wholesale purchase of habitat under the name of restoration by the council.

I understand that in certain areas it's appropriate and I believe it's the right of yourselves and the landowner and the timber owner, if there is one, to do that but for the bulk of your funds, we feel it's an inappropriate expenditure. If all of the land that's been highlighted as targets were somehow to be brought back and we know that won't happen because you don't have enough money to do it, the Seward Saw Mill could not exist.

And hopefully, that's not your intent to close the mill down again.

I was involved as the land director for Chugach back in the late 70s and early 80s when the Chugach region settlement was negotiated. I was instrumental in securing Patton Bay for Chugach before Congress and I can tell you that the public process that we went through at that time involving all of the national

environmental groups, the Alaskan Lands Coalition, the Cordova Lands Coalition and others, we settled on Patton Bay among other areas for Chugach to have for the explicit purpose of harvesting the timber there. For you to contemplate purchasing it back now, I believe, at a minimum, violates the intent of the Chugach Land Settlement and probably violates the intent of the Native Claims Settlement Act. That goes for wholesale buy-backs of other timber around Prince William Sound.

If you look at a land status map of Prince William Sound, you'll see that when the ownership was apportioned, generally, it was felt that northern and western Prince William Sound should remain in public ownership, generally under National Forest management with the eastern sound and some of the islands going into Native corporation ownership. Those decisions were made a long time ago. And I think you need to keep that -- give that careful consideration as you look at purchasing back Native owned property. As an alternative, I believe there are many more beneficial uses for the money. Reforestation comes to mind. A nursery program where all of the logged areas in Prince William Sound could be replanted more quickly than is now occurring through natural reforestation. There would be definite public benefits to that. There are other things too where through using public funds, investing on private lands rather than through acquiring private lands, you can improve habitat and create jobs and improve local economies. It requires you to be a little more creative but I think you can do that. Thanks very

much.

MR. COLE: Mr. Chairman.

MR. PENNOYER: Mr. Cole.

MR. COLE: Are you suggesting that we spend these funds and monies to reforest Native lands which have been logged?

MR. PROPES: I'm suggesting that you take a look at that. I think there are ways for public and private sectors to work to get her to do that, yes.

MR. COLE; Why don't they reforest them themselves?

MR. PROPES: Because the lands reforest themselves.

MR. COLE: Well, then there's no reason for us to spend money reforesting.

MR. PROPES: Well, it accelerates the process

MR. PENNOYER: Further questions? Thank you very much for your input. Pam, do you want to try it?

MS. BRODIE: Thank you, Mr. Chairman. I'm Pam Brodie. I will be brief. First, I'd like to say something about the Public Advisory Group and that is that regarding whether alternates should be allowed to vote, there are a couple of members of the Public Advisory Group that routinely fail to show up and these men send their designated alternates and those women are, in fact, very -- they keep up very well with what's going on and they're very qualified, I think, to vote so I'm not speaking for the Public Advisory Group but for myself to say that I hope that they will either be allowed to vote or that the Trustee Council should take some action to replace members who have a

certain number of unexcused absences.

Regarding what was happening today, I'd like to thank you very much for moving ahead with the restoration plan alternatives. I'd also like to thank you very much for deciding to contact all of the landowners and not just some of them. And to move ahead with opportunity lands. I am glad that you recognize the importance of moving ahead on opportunity lands, not just imminent threat lands. Regarding condemnation, it is my understanding that the Alaska Native Claims Settlement Act would forbid acquiring lands through condemnation. I'm not sure of that. I have heard that and hope that that will be investigated soon. I also think that condemnation would probably drive up the prices of the land and that there is a lot of good land that could be acquired without condemnation.

Regarding the notebook that the Restoration Team put together, I think that it's very helpful in terms of the data that it provides and no doubt it needs some corrections but I know the staff is very willing to get that information. One big problem, I think, with that has been the numerical scoring system which I think is very arbitrary and misleading. I'm very pleased that the Trustee Council did not decide its actions based on that scoring system. You've heard some criticisms of it today and I have other criticisms of it but because you're in a hurry, I won't go into that. I can submit that in writing. And thank you very much.

MR. PENNOYER: Thank you, Ms. Brodie. Does anyone

want to ask any other questions at this time? Okay, I believe we have more person In the audience. Sir, if you want to take a quick crack before everybody tramples you in the rush. I'm not putting any pressure. Please sit down.

MR. SHERMAN: Before I get started, I'd like to thank you for the opportunity to express my opinions before you here today. My name is Patrick Sherman. I am a logger and a 29-year resident of Cordova, Alaska. I would like to address the possible land acquisitions, aka timber buy-back in Prince William Sound and other areas using the Exxon Valdez settlement monies. I am totally opposed to a sale of this kind. A buy-out such as this is tantamount to the state buying out its economic future. It would not only destroy my livelihood but it would also destroy the jobs of hundreds of others who work in t he timber industry.

I belong to a group called the Concerned Citizens Coalition. We look to the state to encourage economic growth, not to shut down industry. Why not propose a land swap with the critical habitat areas so there can still be a sustainable economy in the small percentage of land available to be developed? The arguments against logging is that it has a negative impact on fisheries and tourism but when you look at the statistics in southeast Alaska where much more logging has taken place, the fisheries and the tourism are both growing every year. In closing, I ask you to consider all parts of this equation before you make a decision that will affect so many people so dramatically. Please don't make the logging industry in Prince William Sound a new victim of

the Exxon Valdez oil spill. Thank you.

MR. PENNOYER: Thank you. Any questions, Trustee Council? Okay, thank you very much and thank you all for coming and testifying and we'll probably see most of you on March 10th.

(Off record: 7:18 p.m.)

CONTINUED

CERTIFICATE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

I, Ladonna Lindley, a notary public in and for the State of Alaska and a Court Certified Professional Reporter with LTD Court Reporters, do hereby certify:

That the foregoing pages numbered 03 through 319 contain a full, true, and correct transcript of the Exxon Valdez Oil Spill Settlement Trustee Council meeting taken electronically by me on the 16th day of February, 1993, commencing at the hour of 8:30 a.m. at the Restoration Office, 645 G Street, Anchorage, Alaska;

That the transcript is a true and correct transcript requested to be transcribed and thereafter transcribed by me to the best of my knowledge and ability from that electronic recording.

That I am not an employee, attorney or party interested in any way in the proceedings.

DATED at Anchorage, Alaska, this 23rd day of February, 1993.

Ladonna Lindley
Notary Public for Alaska
My commission expires: 8/1/93